Financial Engines Investor Presentation

Q3 2017

Forward-Looking Statements

The following information contains forward-looking statements based on the Company's current expectations and beliefs, as well as a number of assumptions concerning future events and market trends and opportunities. These forward-looking statements include, but are not limited to, anticipated features, benefits, capabilities, our technology, addition of new assets and asset retention, new services and retirement income planning services, descriptions of potential market and/or growth opportunities and trends, our ability to differentiate from our competitors, ability to generate increased revenue and enrollment, our ability to scale and maintain operating leverage, as well as general business objectives. The Company makes no representations regarding its plans to enter or pursue any such opportunities or trends, or the likelihood of success. These statements are subject to risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. Factors which may cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those discussed in our most recent SEC filings, as well as changes in market opportunities, demographics and trends, in the financial markets and economy as a whole, and in the Company's business plans, initiatives or strategies. You are cautioned not to place undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied. All forward-looking statements are based on information available to the Company as of the date specified for such information, if a date is given, or on this date and Financial Engines assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information please see our most recent SEC filings, including the Form 10-K filed for the period ended December 31, 2016. This data is presented for information only and is not intended to constitute an offer or solicitation with respect to any securities issued by the Company.

Once upon a time …

Retirement was primarily supported by the **government** and **your employer…..**

Government*: Social Security & Medicare*

and

Employer: *Pension and retiree medical*

And then everything changed.

Everybody's on their own.

Financial Engines®

American workers are struggling to manage their financial futures

77% of Boomers don’t believe they’ll have enough for retirement.

81% say it will be harder to plan for their financial futures.

89% of workers have not prepared a financial retirement plan.

America's Retirement Deficit

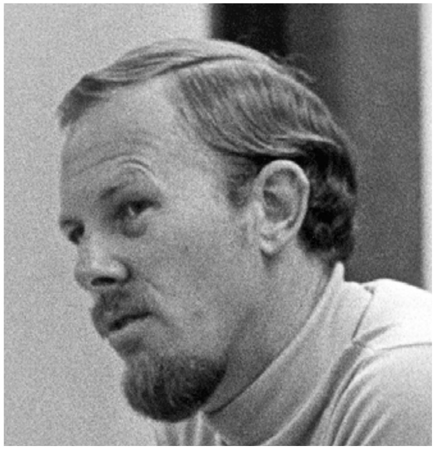
$4 trillion

41% of households age 55-64 have **no retirement savings** at all.

20 years of disrupting the status quo

Financial Engines pioneered online investment advice and transformed the way people plan, save, and invest for retirement, regardless of their wealth or expertise.

Today our mission stays the same, and we've expanded the ways we help Americans achieve financial wellness.



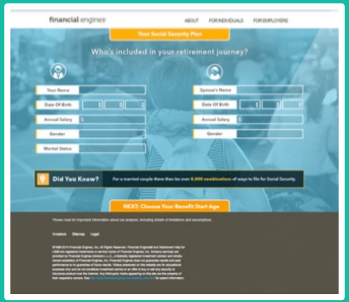
William F. Sharpe
Cofounder / Nobel Prize in Economic Sciences winner

Trusted by over 730 employers

Kellogg's GROW WITH US · DELTA · Ford · Marathon Oil · LAND O'LAKES, INC. · Liberty Mutual INSURANCE · Microsoft

FNGN Today

High-quality, low cost services at scale delivered through technology



Proprietary Technology Platforms

Institutional investment methodology

Unique workplace access

Scalable advisor centers

The combination allows us to target an underserved market of investors

Financial Engines is a leader in a growing market

1 million
FNGN Clients

$160 billion
Aggregate AUM

- Advice available to 9.8 million participants
- 743 employers, representing over $1.18 trillion in assets
- Working with 150 out of the Fortune 500 companies
- Half of clients have less than $66,000 balance

A complete suite of advisory and financial wellness services

Advice (Do-it-yourself)	Managed accounts (Do-it-for-me)	Personal Advisor (Do-it-with-me)
▪ Online advice ▪ Access to advisor team ▪ Retirement income plan	▪ Professional 401(k) account management ▪ Unlimited advisor access ▪ Retirement income plan	▪ Dedicated advisor relationship ▪ Holistic financial planning ▪ Retirement & taxable asset management

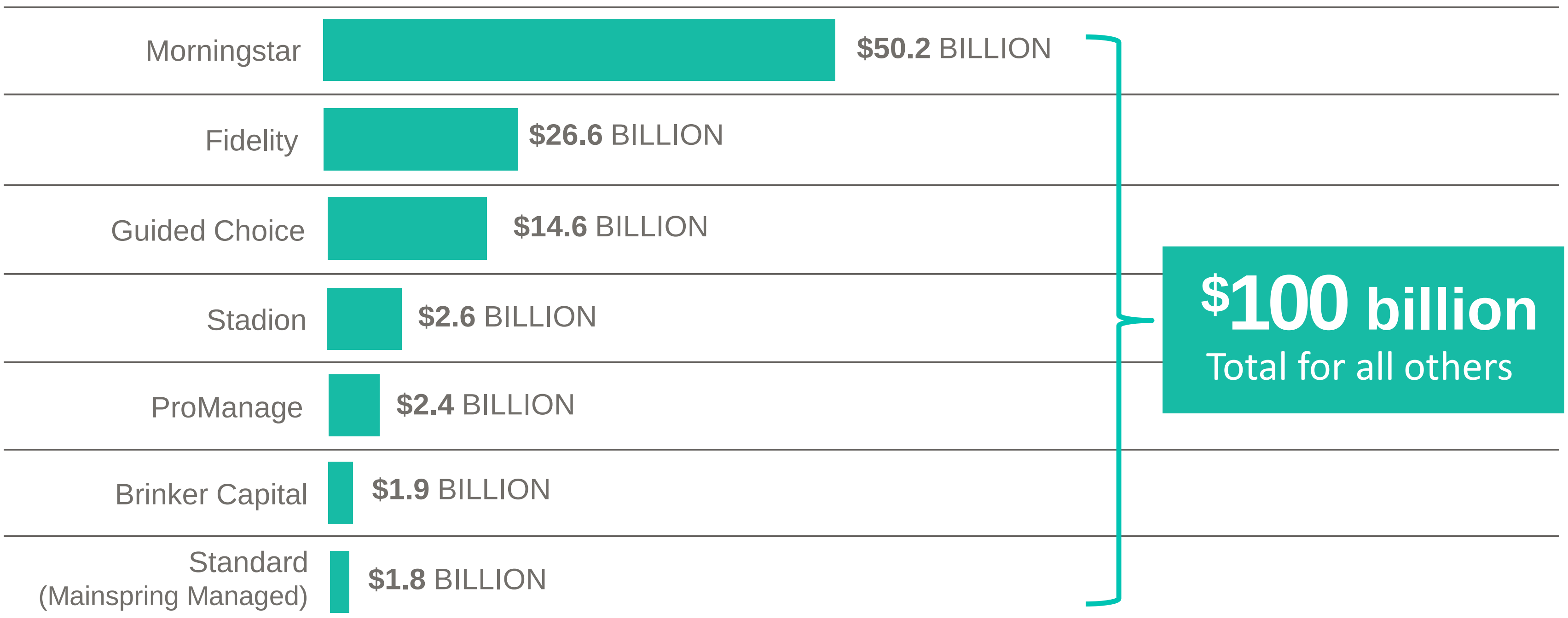
Financial Wellness & Education
(For everyone)

- Personalized communications
- Interactive tools & calculators
- Live events & webinars
- Investment & plan optimization

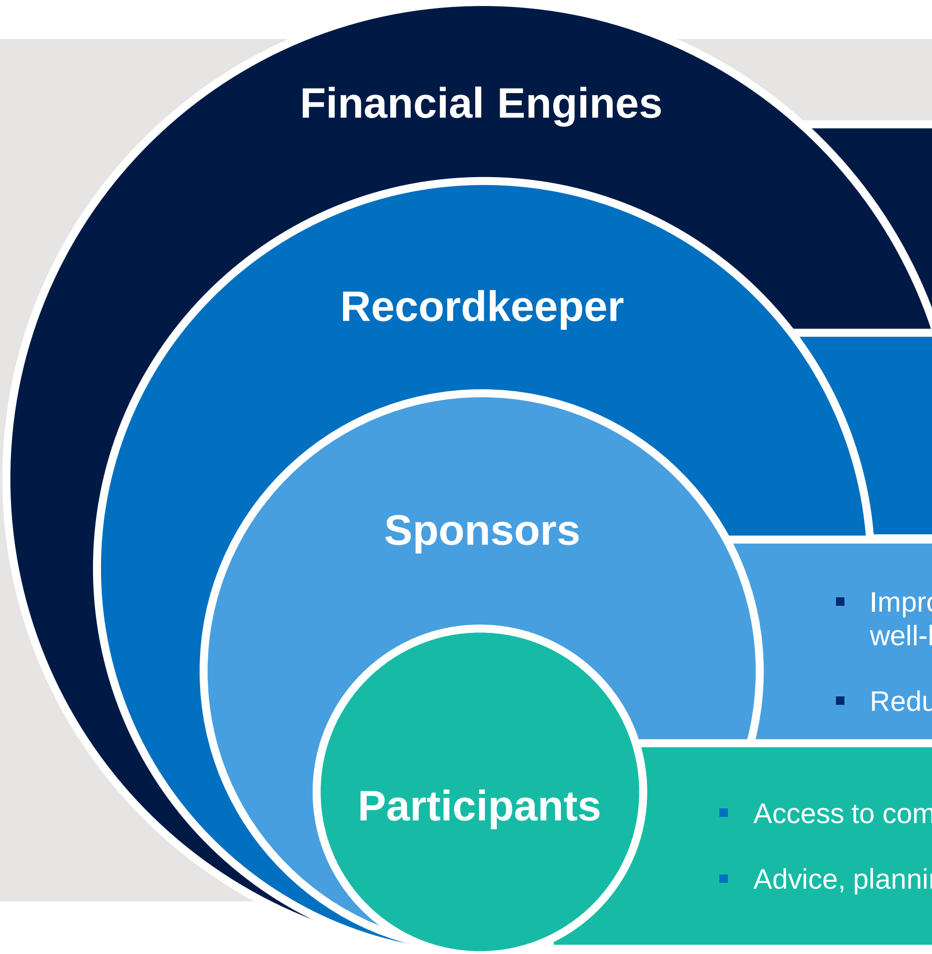
CHANNELS RECORDKEEPER INTEGRATION | PRINT | DIGITAL | PHONE | IN PERSON

The top DC managed account provider

FNGN | **Total AUM** (as of 6/30/2017) | **$140.4 billion**



FNGN's strengths align with our ecosystem



- Leading managed account solution
- Connections to largest providers & sponsors
- **The benefits we provide to our connections:**

- Cost-effective independent investment advice
- Provides competitive advantage in market

- Improves participant retirement readiness and financial well-being
- Reduces fiduciary risk for employers

- Access to commission-free, conflict-free management
- Advice, planning, education with institutional pricing

A growing opportunity – with high barriers to entry

Recordkeepers require:

- Sponsor demand
- Institutional quality investment methodology
- Financial viability
- Ability to deliver to complex plans
- Reputation

Sponsors require:

- Robust and secure technology
- Name recognition
- Data connectivity
- Sophisticated investment methodology
- Independence
- Access for all employees, not just the wealthy
- Blue chip client list
- Financial stability and longevity

The Opportunity

The four sources of projected growth:

AUC Growth

- New employers
- New providers

Built-in Growth

- $9.4B ongoing contributions
- Market appreciation

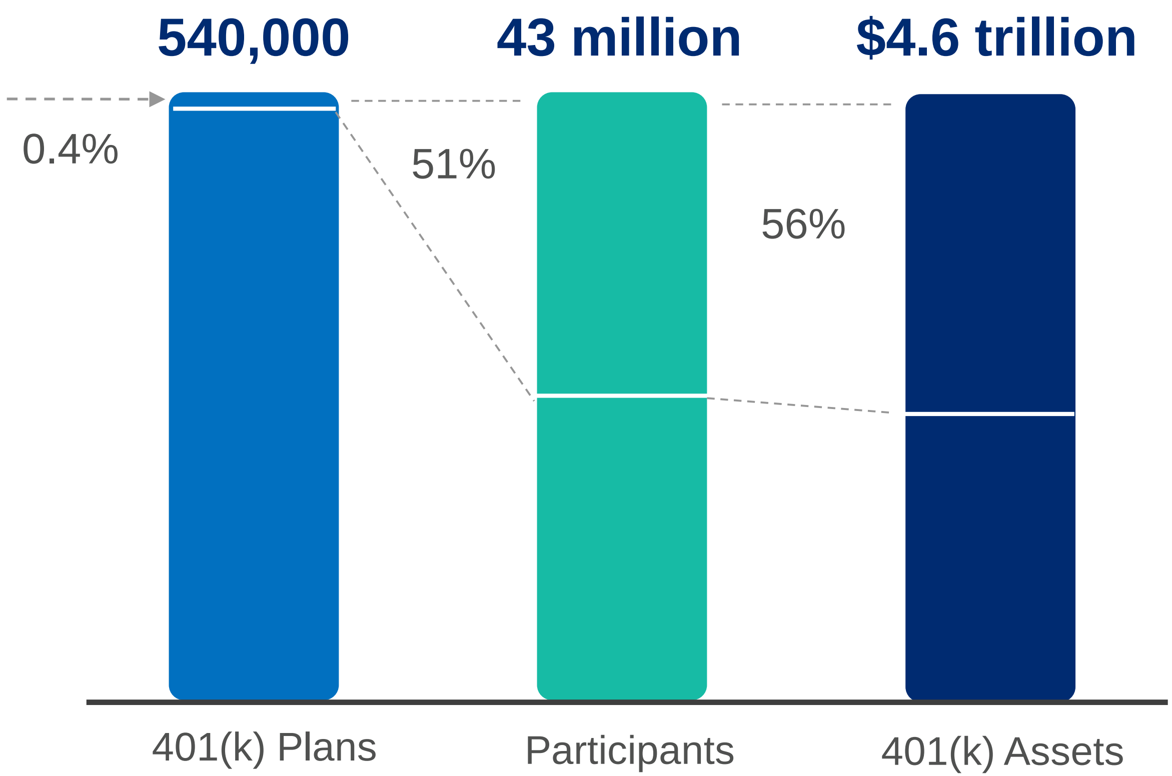
New Client Growth

- Annual campaigns
- Digital marketing
- Live events
- Advisor network
- Radio & advertising

New Programs & Services

- Total portfolio management – 401(k), IRA, taxable accounts
- Financial planning
- Adjacent asset pools: HSA, 529 plans
- Predictive analytics & artificial intelligence

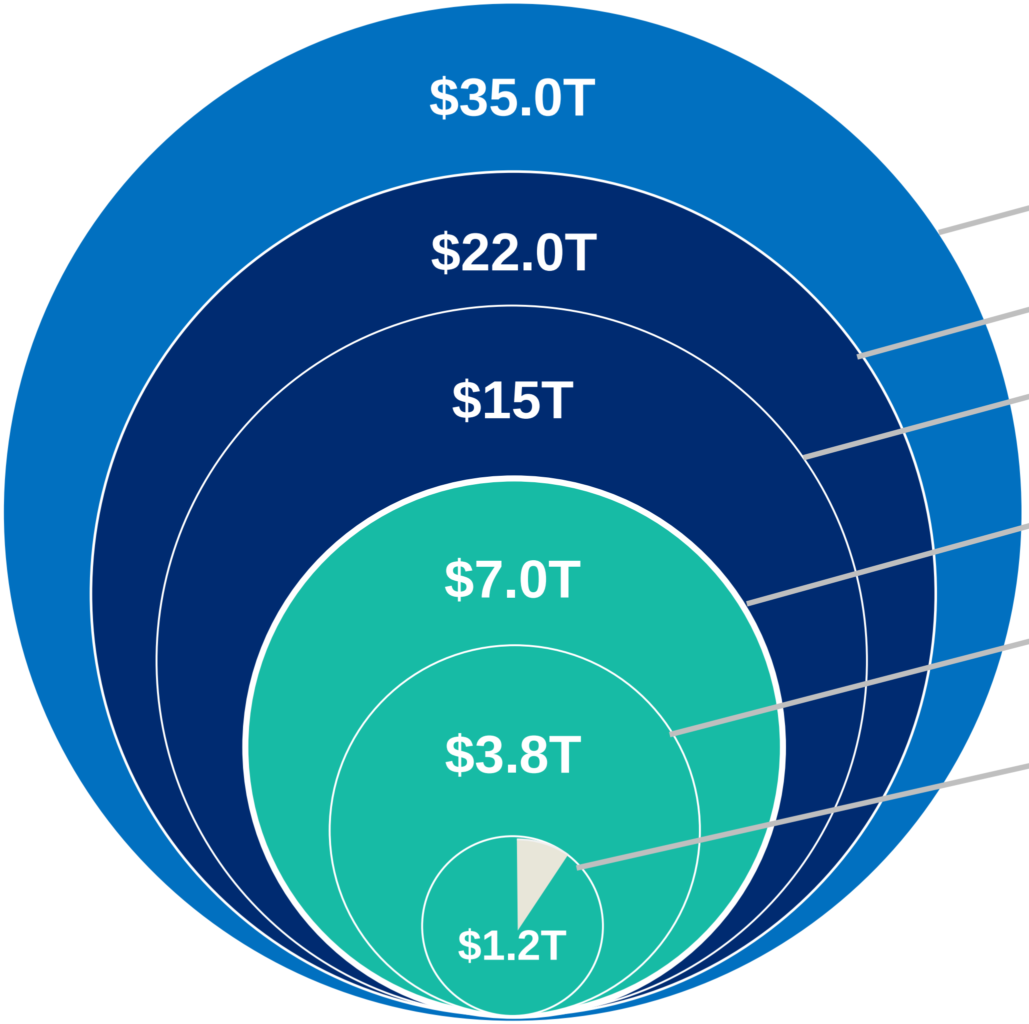
The opportunity in large workplace plans:



Partners

- alight
- EMPOWER
- Fidelity Investments
- Vanguard
- T.RowePrice
- CONDUENT
- TRANSAMERICA
- voya FINANCIAL
- WELLS FARGO

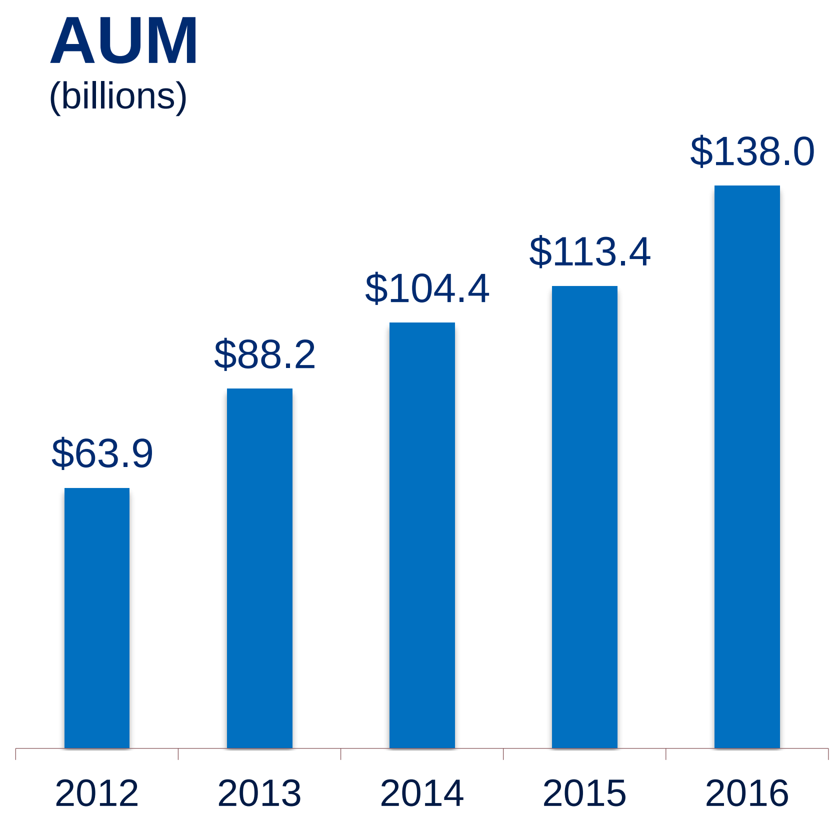
There is huge potential in new markets



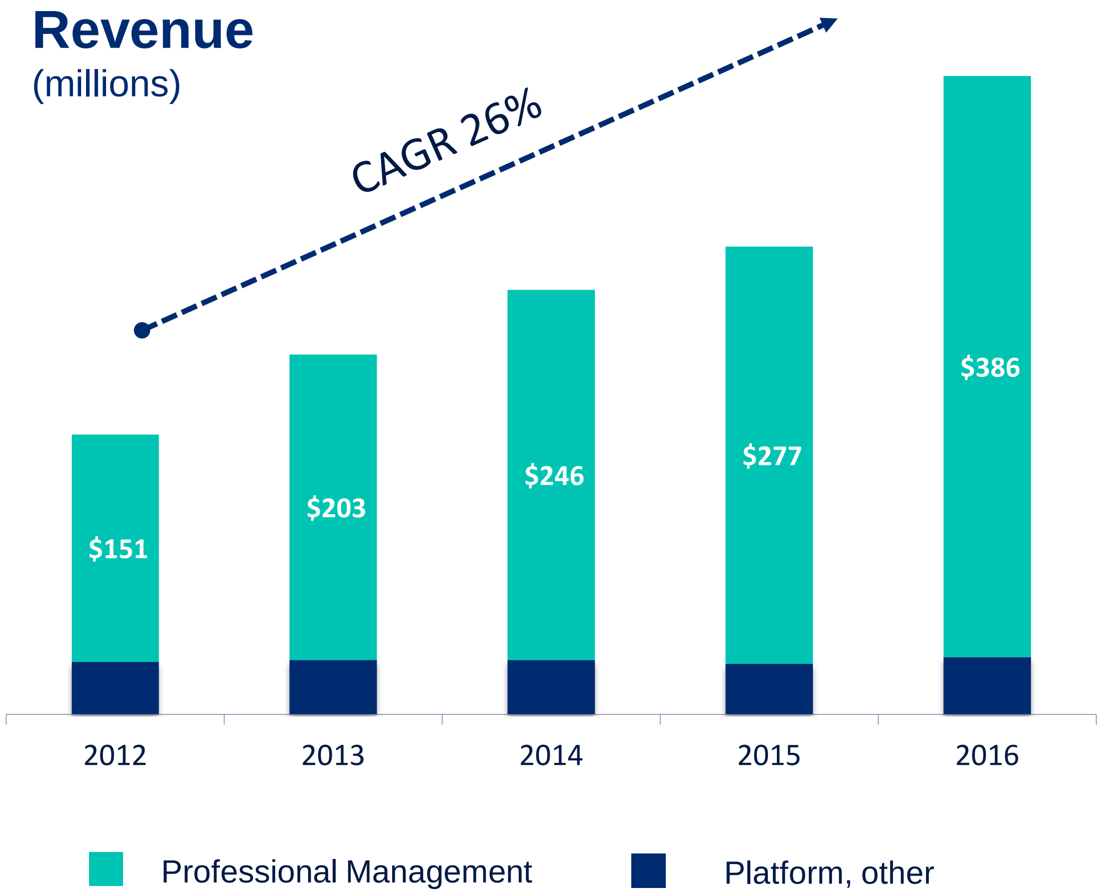
Growth Opportunity	Assets (billions)
Investable Assets	$35,000
DC + IRA + DB	$22,000
DC + IRA	$15,000
Total DC	$7,000
Partner	$3,800
DC AUC	$1,183
DC AUM	$148

Our Performance

Consistent growth across top line metrics



Recurring revenue from existing employers

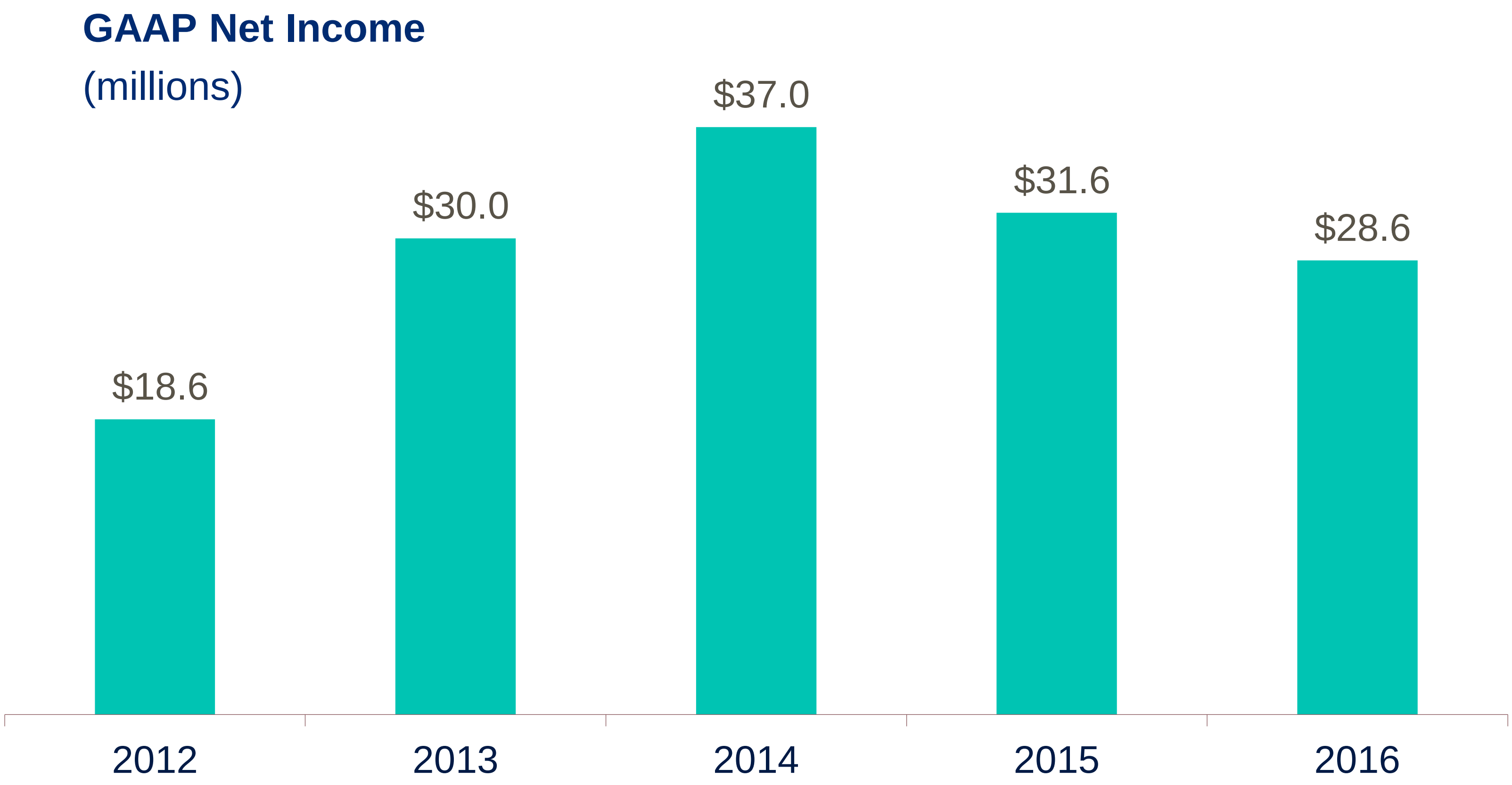


99%

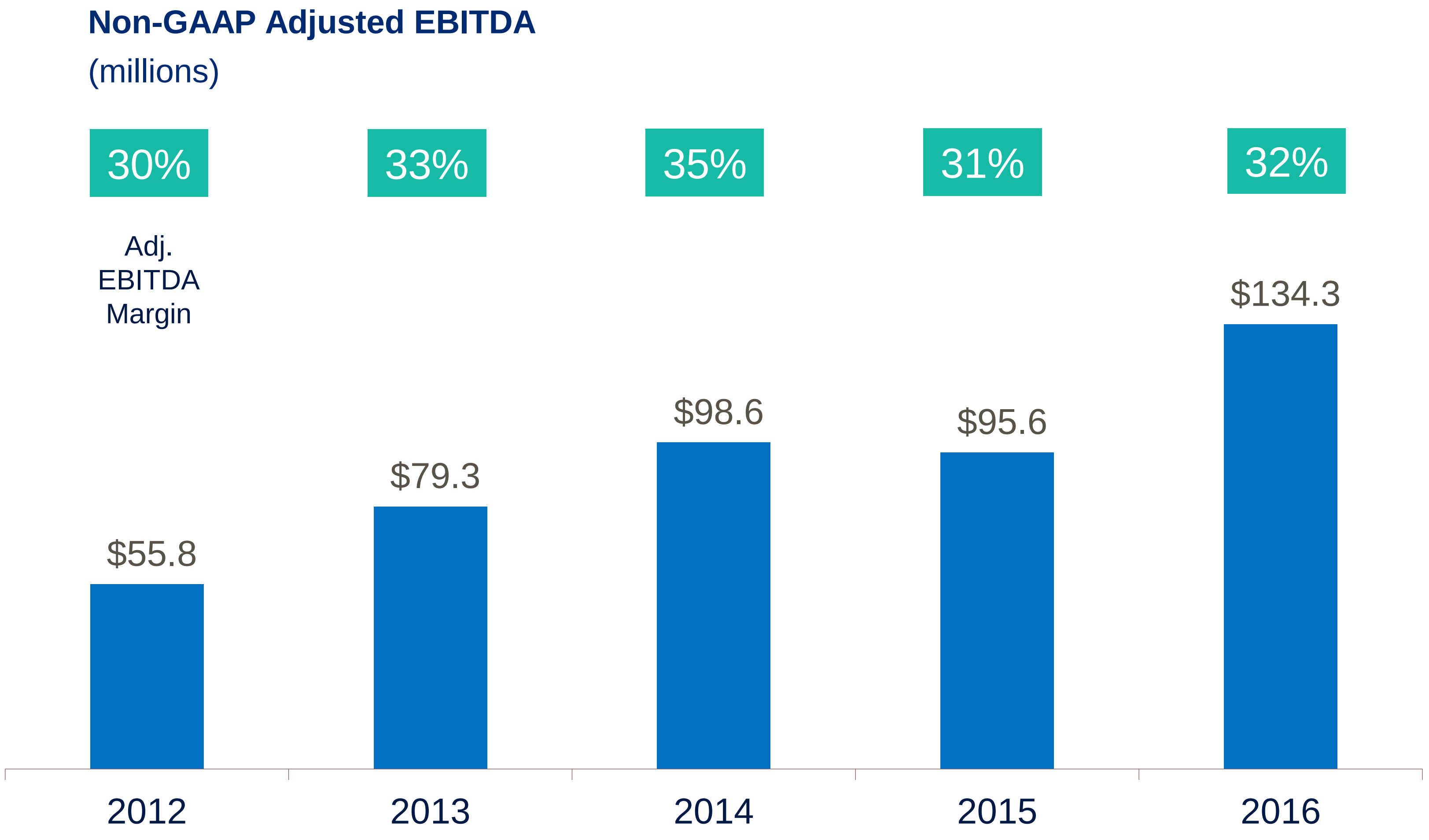
of revenue came from existing employer customers in each of the last 5 years

Financial Engines

Demonstrated profitability (GAAP Net Income)

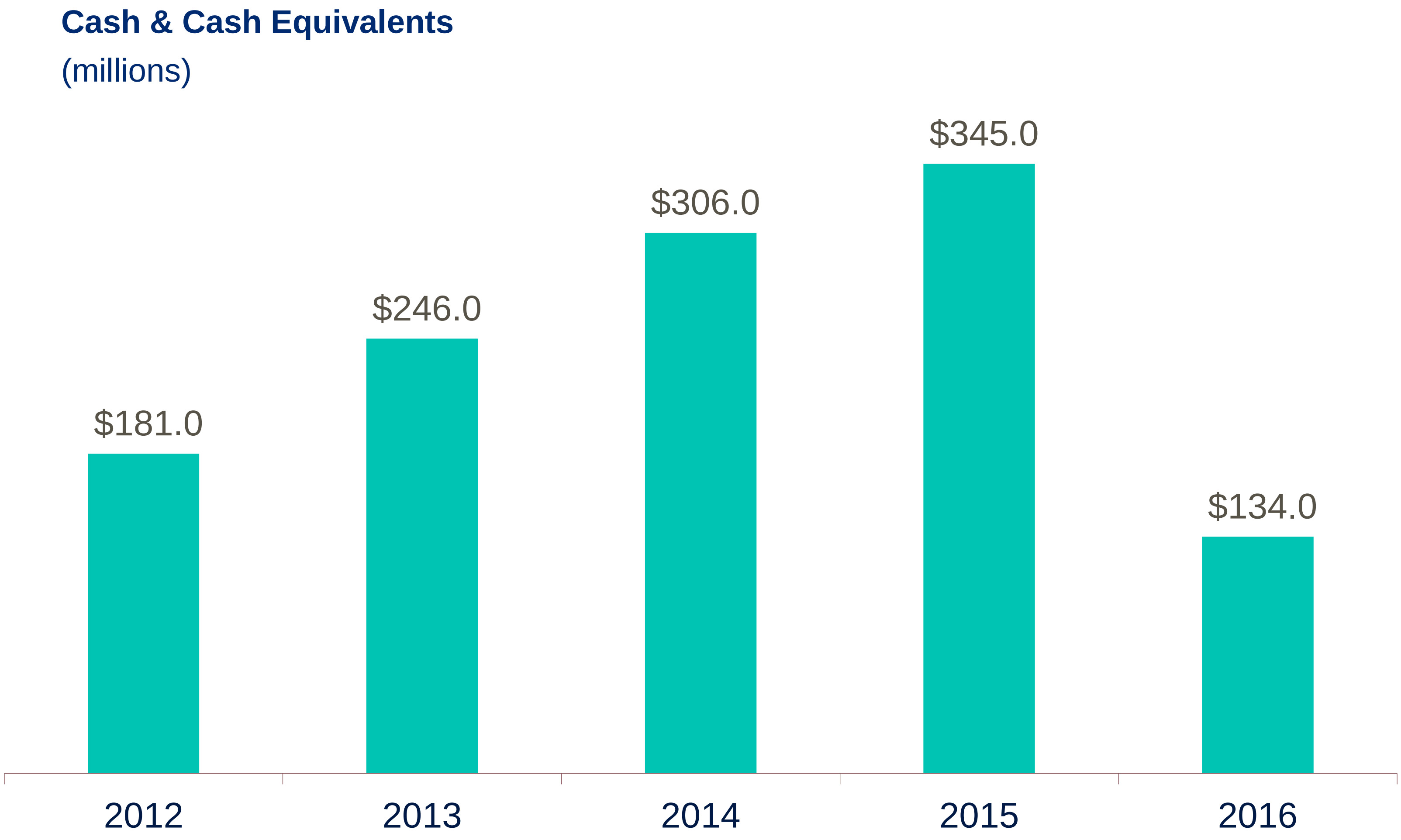


Demonstrated profitability (Non-GAAP)



Please refer to the presentation appendix for tables that reconcile our GAAP net income to Non-GAAP adjusted EBITDA.

Strong cash generation business



Q3 2017 Results

Financial Results

- Revenue increased 9% to $122.2 million year over year
- Professional management revenue increased 11% year over year to $114.1 million
- Net income increased 116% to $15.4 million from $7.1 million a year ago
- Non-GAAP adjusted EBITDA increased 17% to $42.4 million from $36.3 million a year ago

Business Highlights

- Introduced Personal Advisor at select large plan sponsors
- Assets under contract in employer plans were over $1.18 trillion
- Assets under management were over $160 billion
- Managing over 1 million individual portfolios
- 9.8 million workplace participants have access to our services

Please refer to the presentation appendix for tables that reconcile our GAAP net income to Non-GAAP adjusted EBITDA.

The leader in a large market driven by powerful trends

- Silicon Valley roots with a strong history of fintech innovation
- America's largest independent investment advisor
- AUM larger than all DC managed account competitors combined
- Financial Engines enjoys access to signed clients with over $1.18 trillion in AUC
- Unique ability to holistically manage assets inside the workplace and retail channels

An opportunity that is getting bigger

- $35 trillion in investible assets in America; estimated to grow to $64 trillion by 2030
- Untapped potential in our 9.8 million participant installed base
- Entering an even larger retail market where our same advantages apply

Strong financial results and operating model

- ~99% of revenue came from existing employer customers in each of the last 5 years
- 2016 professional management revenue CAGR 26%
- Substantial free cash flow

Footnotes

Slide 7: *Boomers*: Insured Retirement Institute, "Boomer Expectations for Retirement 2017", only 23% believe they will have enough money to last throughout retirement, pg. 4; *Future*: National Institute on Retirement Security, "Retirement Security Roadmap for Policy Makers – American's View of the Retirement Crisis, Figure 6, March 2015; *Workers*: 2017 Retirement Confidence Survey, March 2017, only 11% of workers report that they have prepared a formal plan for retirement, figure 25.

Slide 8: *Shortfall*: aggregate national retirement deficit number is currently estimated to be $4.13 trillion for all U.S. households where the head of the household is between 25 and 64, inclusive, EBRI Issue Brief 410, February 2015; *Boomers*: GAO, "Retirement Security – Most Households Approaching Retirement Have Low Savings", 41% of households age 55 –have no retirement savings, figure2.

Slide 9: These Financial Engines customers have consented to disclosure of their relationships with Financial Engines. This does not constitute an endorsement or approval of the advisory services provided. All trademarks are the property of their respective owners.

Slide 12: Based on Financial Engines data as of September 30, 2017.

Slide 14: Based on The Cerulli Edge – Retirement Edition, 3Q 2017, Issue #44; FNGN data as of June 30, 2017.

Slide 18: Based on Financial Engines data as of September 30, 2017. Ongoing contributions over the four most recent fiscal quarters.

Slide 19: Source: Cerulli Retirement Markets 2016 Report (2016 estimated plans, active participants, 401(k) assets).

Slide 20: Source: For independence methodology and ranking, see InvestmentNews RIA Data Center. (http://data.investmentnews.com/ria/). Cerulli Retirement Markets 2016 Report (2016 (estimated) 401(k) assets and retirement asset data); The Cerulli Edge – Retirement Edition, 1Q 2017, Issue #42 AUM vs. competitor's AUM; Deloitte Center for Financial Services – The Future of Wealth in the United States November 2015 (Investable Financial Assets); Financial Engines data as of September 30, 2017 (AUM, AUC, Revenue).

Footnotes (continued)

Slide 22: Based on Financial Engines data as of September 30, 2017.

Slide 23, 24, 25, 26: Based on Financial Engines data as of September 30, 2017. See our Forward-Looking Statements earlier in this presentation. *Margin:* Adjusted EBITDA as a percent of revenue.

Slide 25, 27: See the appendix as well as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on November 2, 2017 for a reconciliation of adjusted EBITDA. Based on Financial Engines data as of September 30, 2017. Adjusted net income represents net income before non-cash stock-based compensation expense, amortization of intangible assets primarily related to customer relationships, trade names and trademarks, expenses related to the closing and integration of acquisitions, all of which are presented net of tax effects, as well as certain other items such as the income tax benefit from the release of valuation allowances, if applicable for the period. Non-GAAP adjusted EBITDA is defined as net income before net interest expense (income), income tax expense (benefit), depreciation, amortization of intangible assets, including internal use software, amortization and impairment of direct response advertising, amortization of deferred sales commissions, non-cash stock-based compensation expense and expenses related to the closing and integration of acquisitions, if applicable for the period.

Slide 28: Source: For independence methodology and ranking, see InvestmentNews RIA Data Center. (http://data.investmentnews.com/ria/). Cerulli Retirement Markets 2016 Report (2016 (estimated) 401(k) assets and retirement asset data); The Cerulli Edge – Retirement Edition, 3Q 2017, Issue #44 AUM vs. competitor's AUM; Deloitte Center for Financial Services – The Future of Wealth in the United States November 2015 (Investable Financial Assets); Financial Engines data as of September 30, 2017 (AUM, AUC, Revenue).

Appendix

Definitions

- Assets under management (DC AUM) is defined as the amount of assets that we manage as part of our professional management service. Our AUM is the value of assets under management as reported by plan providers and custodians at or near the end of each month or quarter.

- IRA and taxable account AUM represent the IRA and taxable account asset balances associated with those clients enrolled in the professional management service as of a specified date.

- Assets under contract (AUC) is defined as the amount of assets in DC plans under contract for which the professional management service has been made available to eligible prospective clients in the workplace. Our DC AUC and eligible prospective clients do not include assets or prospective clients in DC plans where we have signed contracts but for which we have not yet made the professional management service available.

- For further detail and definitions of other terms used in this presentation, please refer to the Company's most recent quarterly and annual filings with the SEC.

“Help” research disclosure.

About the Financial Engines and Aon Hewitt research dated May 2014.

- Research results presented for informational and evaluative purposes only.
- Within the Help group, managed accounts and online advice are provided by Financial Engines Advisors L.L.C. Financial Engines does not sponsor or serve as investment advisor to target date funds.
- The data for the research are drawn from 14 large 401(k) plans. Collectively the plans represent over 723,000 participants with over $55 billion in assets.
- Usage analysis based on 401(k) account and savings data collected between January 2013 and September 2013. 8 of the 14 plans in the Usage analysis were also in the Usage portion of the September 2011 Help report.
- Median returns are calculated based on a sample of 14 plans, 8 of which were also in the September 2011 Help report, using data from calendar years 2006 – 2012, inclusive. Observations are equal weighted both across plans and across years.
- Portfolio balances are calculated as of the start of each calendar year of the research period. Portfolio balances are calculated exclusive of any plan loan balances outstanding.
- All reported risk levels are forward-looking annual standard deviation values.
- All returns reported in the research are net of fees, including fund specific management and expense fees, and managed account fees.
- For a complete copy of the research study, visit www.financialengines.com.

Reconciliation of GAAP to Non-GAAP Operating Results.

The table below sets forth a reconciliation of GAAP net income to non-GAAP adjusted EBITDA based on our historical results:

Non-GAAP adjusted EBITDA	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
	(In thousands, unaudited)			
GAAP net income	$ 7,147	$ 15,419	$ 19,519	$ 40,396
Interest income, net	(149)	(351)	(133)	(614)
Income tax expense	4,376	9,963	14,031	21,490
Depreciation and amortization	2,363	2,110	6,670	6,312
Amortization of intangible assets (excluding internal use software)	2,710	2,795	7,301	8,388
Amortization of internal use software	1,187	1,348	3,518	3,885
Amortization and impairment of direct response advertising	1,122	877	3,547	2,828
Amortization of deferred sales commissions	413	230	1,244	805
Non-GAAP EBITDA	19,169	32,391	55,697	83,490
Stock-based compensation	9,580	9,015	24,307	26,617
Acquisition-related expenses	3,484	967	13,958	4,877
Loss on reacquired franchisee rights	4,092	—	4,092	—
Non-GAAP adjusted EBITDA	$ 36,325	$ 42,373	$ 98,054	$ 114,984

The table below sets forth a reconciliation of GAAP net income to non-GAAP adjusted net income based on our historical results:

Non-GAAP adjusted net income	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
	(In thousands, unaudited)			
GAAP net income	$ 7,147	$ 15,419	$ 19,519	$ 40,396
Stock-based compensation	9,580	9,015	24,307	26,617
Amortization of intangible assets (excluding internal use software)	2,710	2,795	7,301	8,388
Acquisition-related expenses	3,484	967	13,958	4,877
Loss on reacquired franchisee rights	4,092	—	4,092	—
Income tax expense from non-deductible transaction expenses[1]	—	—	1,162	—
Tax-effect of adjustments[2]	(7,588)	(4,881)	(18,969)	(15,235)
Non-GAAP adjusted net income	$ 19,425	$ 23,315	$ 51,370	$ 65,043

(1) This amount represents estimated additional income tax expense incurred in the period for non-deductible transaction expenses related to acquisition activity.

(2) An estimated statutory tax rate of 38.2% has been applied to eliminate the tax-effect for all periods presented.

Reconciliation of GAAP to Non-GAAP Operating Results.

The table below sets forth a reconciliation of GAAP diluted earnings per share to non-GAAP adjusted earnings per share based on our historical results:

Non-GAAP adjusted earnings per share	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
	(In thousands, except per share data, unaudited)			
GAAP diluted earnings per share	$ 0.11	$ 0.24	$ 0.32	$ 0.62
Stock-based compensation	0.15	0.14	0.39	0.41
Amortization of intangible assets (excluding internal use software)	0.04	0.04	0.12	0.13
Acquisition-related expenses	0.06	0.02	0.22	0.08
Loss on reacquired franchisee rights	0.07	—	0.07	—
Income tax expense from non-deductible transaction expenses(1)	—	—	0.02	—
Tax-effect of adjustments(2)	(0.12)	(0.08)	(0.31)	(0.23)
Non-GAAP adjusted earnings per share	$ 0.31	$ 0.36	$ 0.83	$ 1.01
Shares of common stock outstanding	61,838	63,181	60,608	62,877
Dilutive stock options, RSUs and PSUs	1,163	1,461	1,049	1,783
Non-GAAP adjusted common shares outstanding	63,001	64,642	61,657	64,660

(1) This amount represents estimated additional income tax expense incurred in the period for non-deductible transaction expenses related to acquisition activity.

(2) An estimated statutory tax rate of 38.2% has been applied to eliminate the tax-effect for all periods presented.

Reconciliation of GAAP to Non-GAAP Operating Results.

The table below sets forth a reconciliation of our 2017 outlook for GAAP net income to our 2017 outlook for non-GAAP adjusted EBITDA:

Non-GAAP adjusted EBITDA outlook	Outlook for Fiscal 2017 as of October 27, 2017 Low	High
	(In millions, unaudited)	
GAAP net income outlook	$ 55	$ 57
Estimated interest income, net(1)	(1)	(1)
Estimated income tax expense(1)	31	31
Estimated depreciation and amortization(1)	8	8
Estimated amortization of intangible assets (excluding internal use software)(1)	11	11
Estimated amortization of internal use software(1)	5	5
Estimated amortization and impairment of direct response advertising(1)	4	4
Estimated amortization of deferred sales commissions(1)	1	1
Non-GAAP EBITDA	114	116
Estimated stock-based compensation(1)	38	38
Estimated acquisition-related expenses(1)	5	5
Non-GAAP adjusted EBITDA outlook	$ 157	$ 159

(1) The estimated items are provided solely for the purpose of reconciling our 2017 outlook for GAAP net income to our 2017 outlook for non-GAAP adjusted EBITDA and are not intended and should not be construed as part of the Company's outlook for 2017, which outlook is limited to revenue, net income and non-GAAP adjusted EBITDA. These items are subject to a number of variables which make them inherently difficult to estimate accurately. In addition, actual amounts for such items have historically varied and may continue to vary significantly from period to period. Any variances in these estimates may in turn have a significant impact on our 2017 outlook and future GAAP results.