MultiPlan Q3 2024 Results and Business Update

November 5, 2024

Disclaimer

Forward-Looking Statements

This presentation includes statements that express our management's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements". These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "seeks," "projects," "forecasts," "intends," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation, including the discussion of financial outlook and guidance, our strategy, our capital allocation priorities, our capital structure, our M&A activity and the roll-out of our products. Such forward-looking statements are based on available current market and management's expectations, beliefs and forecasts concerning future events impacting the business. Although we believe that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that these forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These factors include: loss of our customers, particularly our largest customers; interruptions or security breaches of our information technology systems and other cybersecurity attacks; the impact of reduced claims volumes resulting from a nationwide outage by a vendor used by our customers; the ability to achieve the goals of our strategic plans and recognize the anticipated strategic, operational, growth and efficiency benefits when expected; our ability to enter new lines of business and broaden the scope of our services; the loss of key members of our management team or inability to maintain sufficient qualified personnel; our ability to continue to attract, motivate and retain a large number of skilled employees, and adapt to the effects of inflationary pressure on wages; trends in the U.S. healthcare system, including recent trends of unknown duration of reduced healthcare utilization and increased patient financial responsibility for services; effects of competition; effects of pricing pressure; our ability to identify, complete and successfully integrate acquisitions; the inability of our customers to pay for our services; changes in our industry and in industry standards and technology; our ability to protect proprietary information, processes and applications; our ability to maintain the licenses or right of use for the software we use; our inability to expand our network infrastructure; our ability to obtain additional financing; our ability to pay interest and principal on our notes and other indebtedness; lowering or withdrawal of our credit ratings; adverse outcomes related to litigation or governmental proceedings; inability to preserve or increase our existing market share or the size of our PPO networks; decreases in discounts from providers; pressure to limit access to preferred provider networks; the loss of our existing relationships with providers; changes in our regulatory environment, including healthcare law and regulations; the expansion of privacy and security laws; heightened enforcement activity by government agencies; the possibility that we may be adversely affected by other political, economic, business, and/or competitive factors; changes in accounting principles or the incurrence of impairment charges; our ability to remediate any material weaknesses or maintain effective internal controls over financial reporting; other factors disclosed in our Securities and Exchange Commission ("SEC") filings from time to time, including, without limitation, those factors described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and our filings with the SEC; and other factors beyond our control. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

There can be no assurance that future developments affecting our business will be those that we have anticipated. Forward-looking statements speak only as of the date made. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-GAAP Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), this presentation contains certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Free Cash Flow, Unlevered Free Cash Flow and Adjusted Cash Conversion Ratio. A non-GAAP financial measure is generally defined as a numerical measure of a company's financial or operating performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP. EBITDA, Adjusted EBITDA, Free Cash Flow, Unlevered Free Cash Flow and Adjusted Cash Conversion Ratio are supplemental measures of MultiPlan's performance that are not required by or presented in accordance with GAAP. These measures are not measurements of our financial or operating performance under GAAP, have limitations as analytical tools and should not be considered in isolation or as an alternative to net income (loss), cash flows or any other measures of performance prepared in accordance with GAAP. EBITDA represents net income (loss) before interest expense, interest income, income tax provision (benefit), depreciation and amortization of intangible assets, and non-income taxes. Adjusted EBITDA is EBITDA as further adjusted by certain items as described in the table below. In addition, in evaluating EBITDA and Adjusted EBITDA you should be aware that in the future, we may incur expenses similar to the adjustments in the presentation of EBITDA and Adjusted EBITDA. The presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. The calculations of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. Based on our industry and debt financing experience, we believe that EBITDA and Adjusted EBITDA are customarily used by investors, analysts and other interested parties to provide useful information regarding a company's ability to service and/or incur indebtedness. We also believe that Adjusted EBITDA is useful to investors and analysts in assessing our operating performance during the periods these charges were incurred on a consistent basis with the periods during which these charges were not incurred. Both EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider either in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of the limitations are:

- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA and Adjusted EBITDA do not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- EBITDA and Adjusted EBITDA do not reflect our tax expense or the cash requirements to pay our taxes; and
- Although depreciation and amortization are non-cash charges, the tangible assets being depreciated will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements.

MultiPlan's presentation of Adjusted EBITDA should not be construed as an inference that our future results and financial position will be unaffected by unusual items.

Free Cash Flow as defined as net cash provided by operating activities less capital expenditures, all as disclosed in the Statement of Cash Flows. Unlevered Free Cash Flow is defined as net cash provided by (used in) operating activities less capital expenditures, plus cash interest paid, all as disclosed in the Statements of Cash Flows. Free Cash Flow and Unlevered Free Cash Flow are measures of our operational performance used by management to evaluate our business after purchases of property and equipment and, in the case of Unlevered Free Cash Flow, prior to the impact of our capital structure, in the case of Unlevered Free Cash Flow, and after purchases of property and equipment. Unlevered Free Cash Flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, MultiPlan's definition of Free Cash Flow and Unlevered Free Cash Flow are limited, in that they do not represent residual cash flows available for discretionary expenditures, due to the fact that the measures do not deduct the payments required for debt service, in the case of Unlevered Free Cash Flow, and other contractual obligations or payments made for business acquisitions. Adjusted Cash Conversion Ratio is defined as Unlevered Free Cash Flow divided by Adjusted EBITDA. MultiPlan believes that the presentation of the Adjusted Cash Conversion Ratio provides useful information to investors because it is an financial performance measure that shows how much of its Adjusted EBITDA MultiPlan converts into Unlevered Free Cash Flow.

Q3 2024 Highlights

- **Third Quarter 2024 Results:**
  - Revenues of $230.5 million
  - Adjusted EBITDA[1] of $141.6 million, and Adjusted EBITDA margin[2] of 61.5%
  - Operating cash flow of $72.8 million
  - Impairment of goodwill and indefinite-lived assets of $361.6 million recorded
- **During the third quarter, we:**
  - Identified potential savings of $6.4 billion for Payors, health plan sponsors, and health plan members
  - Closed 165 sales opportunities and added four new client logos
  - Continue to deepen client engagement with our payment and revenue integrity product
  - Solidified strategic alliance with the National Rural Health Association with four pilot sites identified
  - We continued to manage with discipline to ensure proper allocation of capital and management of operating expenses against our outlook

[1] See reconciliation of non-GAAP measures included in Appendix
[2] Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenues

Q3 2024 Results

$ in millions

	Quarter-over-Quarter			Year-over-Year		
	Q3 2024	Q2 2024	Change	Q3 2024	Q3 2023	Change
Revenues	$230.5	$233.5	(1.3)%	$230.5	$242.8	(5.1)%
Adjusted EBITDA[1]	$141.6	$146.7	(3.4)%	$141.6	$152.3	(7.0)%
Adjusted EBITDA Margin[2]	61.5%	62.8%		61.5%	62.7%	

[1] *See reconciliation of non-GAAP measures included in Appendix*

[2] *Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues*

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Revenue by Service Line

$ in millions

2024 Q3

	Current Quarter	Sequential Quarter		Prior Year Quarter	
Service Line	**Q3 2024**	**Q2 2024**	**% Change**	**Q3 2023**	**% Change**
Network-Based	$46.2	$45.7	0.9%	$56.8	(18.8)%
Analytics-Based	$157.7	$159.9	(1.4)%	$158.4	(0.4)%
Payment & Revenue Integrity	$26.6	$27.9	(4.4)%	$27.6	(3.4)%
Total Revenue	**$230.5**	**$233.5**	**(1.3)%**	**$242.8**	**(5.1)%**

Commercial Health Plans - Volumes[1]

OON Medical Charges Processed

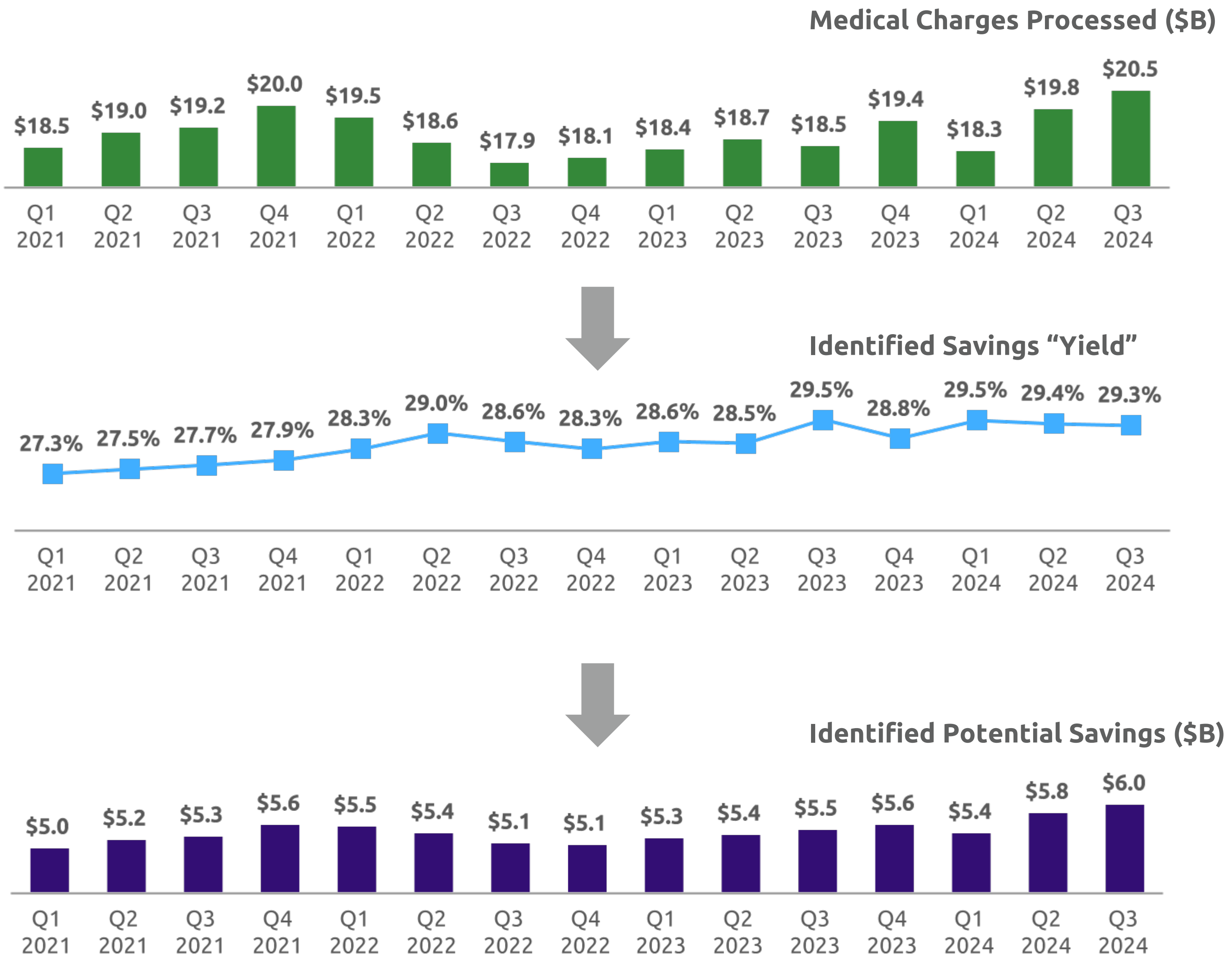
- Q3 2024 charges of $20.5B increased 3.4% QoQ and increased 10.9% YoY

Identified Savings "Yield"

- Q3 2024 identified savings "yield" of 29.3%

Identified Potential Savings

- Q3 2024 savings of $6.0B increased 3.1% QoQ and increased 10.0% YoY



[1] *Gross savings identified. Effective fourth quarter 2022, we modified the methodology for capturing and reporting medical charges processed and potential medical cost savings from previously reported submissions. We believe this new methodology provides additional insight into our business, increases alignment with our revenue reporting, and will provide a more accurate portrayal of our portfolio of services as we grow our business through the addition of new claims flows and new service offerings. A full description of the modification to the methodology can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. All time periods shown reflect the new methodology.*

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Medical Charges Processed and Identified Potential Savings

$ in billions

		Current Quarter	Sequential Quarter		Prior Year Quarter	
		Q3 2024	Q2 2024	% Change	Q3 2023	% Change
Current "Core" Business	**Commercial Health Plans**					
	Medical charges processed	$ 20.5	$ 19.8	3 %	$ 18.5	11 %
	Potential medical cost savings	$ 6.0	$ 5.8	3 %	$ 5.5	10 %
	Potential savings as % of charges	29.3 %	29.4 %		29.5 %	
Monetizable Opportunity	**Payment & Revenue Integrity, Property & Casualty, and Other**					
	Medical charges processed	$ 24.2	$ 25.4	(5) %	$ 24.0	1 %
	Potential medical cost savings	$ 0.3	$ 0.3	1 %	$ 0.3	9 %
	Potential savings as % of charges	1.4 %	1.4 %		1.3 %	
	Total					
	Medical charges processed	$ 44.7	$ 45.3	(1) %	$ 42.5	5 %
	Potential medical cost savings	$ 6.4	$ 6.2	3 %	$ 5.8	10 %
	Potential savings as % of charges	14.2 %	13.6 %		13.6 %	

1

MultiPlan Share of Savings

$ in millions

2024 Q3

		Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Primary KPI	Identified potential savings - PSAV	$4,473	$4,437	$4,303	$4,411	$4,239
	Revenues – PSAV[1]	$206	$208	$208	$218	$216
	Revenues as a % of identified savings – PSAV	4.61%	4.69%	4.83%	4.94%	5.09%
	Identified potential savings – PEPM	$1,885	$1,736	$1,433	$1,500	$1,542
	Revenues – PEPM[2]	$21	$22	$23	$22	$23
	Revenues as a % of identified savings – PEPM	1.12%	1.25%	1.57%	1.46%	1.49%
	Identified potential savings – Total	$6,358	$6,173	$5,736	$5,911	$5,781
	Revenues - Total[3]	$230	$233	$235	$244	$243
	Revenues as a % of identified savings – Total	3.63%	3.78%	4.09%	4.13%	4.20%

Key Drivers of Identified Savings Volume and Revenue as a % of Savings, Q3 2024

- Identified savings from our PSAV revenue model (~90% of our revenue) increased 0.8% QoQ and increased 5.5% YoY
- Core PSAV revenue as a % of savings ("revenue yield") fell slightly resulting in a decrease of approximately $2M of revenue. This is made up of $1.7M of positive volume impact offset by $3.7M of price mix changes

[1] In our PSAV model, we earn revenue as a percentage of identified savings.
[2] In our PEPM model, we earn revenue per covered life.
[3] Total revenue includes ~$4 million per quarter or less in other revenue not captured in our PSAV or PEPM models.

Updated FY 2024 Guidance

- Revised 2024 revenue guidance of $930 to $940 million
- Revised 2024 Adj. EBITDA[1] guidance of $580 to $590 million

FY 2024 E	Prior	Updated
Revenues	$935 – 955M	$930 – 940M
Adjusted EBITDA[1]	$580 – 595M	$580 – 590M
Interest Expense	$320 – 330M	(unchanged)
Operating Cash Flow	$135 – 150M	$135 – 145M
Capex	$120 – 130M	(unchanged)
Depreciation	$80 – 90M	(unchanged)
Intangible Amortization	$345 – 350M	(unchanged)
Tax Rate	25 – 28%	(unchanged)

1 We have not reconciled the forward-looking Adjusted EBITDA guidance included above to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs, the most significant of which are incentive compensation (including stock-based compensation), transaction-related expenses, certain fair value measurements, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

Capital Allocation

Investment in the business to drive organic growth

HIGH PRIORITY

Debt paydown

HIGH PRIORITY

Value creating M&A

LOW PRIORITY NEAR TERM

Share buyback

LOW % OF CAPITAL ALLOCATION

Highlights

- Assessing our capital structure -
  - Working with our lender groups
  - Focus on opportunistic extension of our maturities
  - Will allow us ample time to implement our business strategy
  - If needed, we have time flexibility until next maturity
- M&A on hold as we focus on organic investments and Data & Decision Science product rollouts

Appendix

Balance Sheet

$ in millions, as of September 30, 2024

Debt Structure

	9/30/2024		Rate	Maturity
Revolving credit facility - Revolver B	Undrawn		SOFR + CSA +4.00%[1]	Aug-26
Term loan B	$ 1,285		SOFR + CSA +4.25%[1]	Sep-28
5.500% Senior Secured Notes	$ 1,050		5.50%	Sep-28
First lien debt, secured	**$ 2,335**	(A)		
5.75% Senior Unsecured Notes	$ 980		5.75%	Nov-28
Senior Convertible PIK notes	$ 1,254	(B)	6% cash / 7% in kind	Oct-27
Total long-term debt	**$ 4,569**			
Less unrestricted cash & cash equivalents	$ 87	(C)		
Net debt	**$ 4,482**	(D)		
TTM Adj. EBITDA[2]	$ 592	(E)		
First-lien leverage ratio, net of cash	3.8x	(A-C)/E		
Operating leverage, net of cash	5.5x	(D-B)/E		
Total leverage ratio, net of cash	7.6x	D/E		

[1] Alternative Reference Rates Committee's recommended CSA of 0.26161%
[2] See reconciliation of non-GAAP measures included in Appendix

Reconciliation of GAAP and Non-GAAP items

$ in thousands except share data

	Three Months Ended				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Net (loss) income	$ (391,450)	$ (576,727)	$ (539,689)	$ (31,391)	$ (24,145)
Adjustments:					
Interest expense	81,792	81,129	82,198	83,005	84,300
Interest income	(1,245)	(551)	(926)	(1,123)	(1,505)
Income tax (benefit) provision	(27,220)	(27,519)	(21,976)	(386)	(6,875)
Depreciation	22,572	21,811	20,989	20,630	19,586
Amortization of intangible assets	85,971	85,971	85,971	85,970	85,971
Non-income taxes	515	580	528	611	669
EBITDA	(229,065)	(415,306)	(372,905)	157,316	158,001
Adjustments:					
Other (income) expenses, net(1)	1,517	426	641	3,564	521
Integration expenses	850	791	353	636	891
Change in fair value of Private Placement Warrants and unvested founder shares	(87)	(259)	(130)	(2,232)	(2,127)
Transaction-related expenses	—	—	—	(41)	269
Gain on extinguishment of debt	—	—	(5,913)	(7,061)	(10,129)
Loss on impairment of goodwill and intangible assets	361,612	553,701	519,050	—	—
Stock-based compensation	6,818	7,317	5,694	4,661	4,835
Adjusted EBITDA	141,645	146,670	146,790	156,843	152,261
Net (loss) income	(391,450)	(576,727)	(539,689)	(31,391)	(24,145)
Adjustments:					
Amortization of intangible assets	85,971	85,971	85,971	85,970	85,971
Stock-based compensation	6,818	7,317	5,694	4,661	4,835
Transaction-related expenses	—	—	—	(41)	269
Gain on extinguishment of debt	—	—	(5,913)	(7,061)	(10,129)
Other (income) expenses, net[1]	1,517	426	641	3,564	521
Integration expenses	850	791	353	636	891
Change in fair value of Private Placement Warrants and unvested founder shares	(87)	(259)	(130)	(2,232)	(2,127)
Loss on impairment of goodwill and intangible assets	361,612	553,701	519,050	—	—
Estimated tax effect of adjustments	(29,724)	(30,985)	(27,216)	(21,722)	(20,334)
Adjusted net income	35,507	40,235	38,761	32,384	35,752
Weighted average shares outstanding – Basic[2]	16,143,520	16,116,996	16,158,356	16,223,239	16,161,095

[1] "Other (income) expenses, net" represents miscellaneous non-recurring income, miscellaneous non-recurring expenses, gain or loss on disposal of assets, impairment of other assets, gain or loss on disposal of leases, tax penalties, and non-integration related severance costs. [2] Shares and net loss per share have been retroactively adjusted for all periods presented to reflect the one-for-forty (1-for-40) reverse stock split that became effective on September 20, 2024.

Reconciliation of GAAP and Non-GAAP items, continued

$ in thousands

	Three Months Ended				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Net cash provided by operating activities	$ 72,842	$ 18,471	$ 49,716	$ 27,702	$ 72,118
Purchases of property and equipment	(31,700)	(25,445)	(30,544)	(31,343)	(22,414)
Levered Free Cash Flow	41,142	(6,974)	19,172	(3,641)	49,704
Interest paid	60,195	97,653	60,742	99,756	62,156
Unlevered Free Cash Flow	$ 101,337	$ 90,679	$ 79,914	$ 96,115	$ 111,860
Adjusted EBITDA	$ 141,645	$ 146,670	$ 146,790	$ 156,843	$ 152,261
Adjusted Cash Conversion Ratio	*72 %*	*62 %*	*54 %*	*61 %*	*73 %*
Net cash used in investing activities	$ (31,700)	$ (25,445)	$ (30,544)	$ (31,343)	$ (22,060)
Net cash used in financing activities	$ (3,143)	$ (3,035)	$ (31,488)	$ (22,479)	$ (38,338)

Medical Charges Processed and Identified Potential Savings[1]

$ in billions

	Three Months Ended								
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
Commercial Health Plans									
Medical charges processed	$20.5	$19.8	$18.3	$19.4	$18.5	$18.7	$18.4	$18.1	$17.9
Potential medical cost savings	$6.0	$5.8	$5.4	$5.6	$5.5	$5.4	$5.3	$5.1	$5.1
Potential savings as % of charges	29.3 %	29.4 %	29.5 %	28.8 %	29.5 %	28.5%	28.6%	28.3%	28.6%
Payment & Revenue Integrity, Property & Casualty, and Other									
Medical charges processed	$24.2	$25.4	$23.2	$23.9	$24.0	$24.3	$21.3	$20.9	$20.8
Potential medical cost savings	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3
Potential savings as % of charges	1.4 %	1.4 %	1.4 %	1.4 %	1.3 %	1.3 %	1.4 %	1.4 %	1.3 %
Total									
Medical charges processed	$44.7	$45.3	$41.5	$43.4	$42.5	$43.1	$39.7	$39.0	$38.7
Potential medical cost savings	$6.4	$6.2	$5.7	$5.9	$5.8	$5.7	$5.6	$5.4	$5.4
Potential savings as % of charges	14.2 %	13.6 %	13.8 %	13.6 %	13.6 %	13.1%	14.0%	13.9%	14.0%

[1]Effective fourth quarter 2022, we modified the methodology for capturing and reporting medical charges processed and potential medical cost savings from previously reported submissions. We believe this new methodology provides additional insight into our business, increases alignment with our revenue reporting, and will provide a more accurate portrayal of our portfolio of services as we grow our business through the addition of new claims flows and new service offerings. A full description of the modification to the methodology can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. All time periods shown reflect the new methodology.