MultiPlan

MultiPlan Q2 2023 Results and Business Update

August 2, 2023

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, plans to expand or enhance the Company's products and service lines, and the long-term prospects of the Company. 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: the ongoing COVID-19 pandemic and its related effects on our results of operations, financial performance, liquidity, or other financial metrics; loss of our customers, particularly our largest customers; trends in the U.S. healthcare system, including recent trends of unknown duration of reduction healthcare utilization and increased patient financial responsibility for services; inability to preserve or increase our existing market share or the size of our Preferred Provider Organization networks; effects of competition; effects of pricing pressure; the inability of our customers to pay for our services; decreases in discounts from providers; the loss of our existing relationships with providers; the loss of key members of our management team; pressure to limit access to preferred provider networks; 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; our ability to identify, complete and successfully integrate acquisitions; our ability to obtain additional financing; changes in our industry and in industry standards and technology; interruptions or security breaches of our information technology systems and other cybersecurity attacks; 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; changes to accounting principles or the incurrence of impairment charges; our ability to remediate any material weakness or maintain effective internal controls over financial reporting; 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; changes in our regulatory environment, including healthcare law and regulations; the expansion of privacy and security laws; heightened enforcement activity by government agencies; our ability to pay interest and principal on our notes and other indebtedness; lowering or withdrawal of our credit ratings; the possibility that we may be adversely affected by other political, economic, business, and/or competitive factors; adverse outcomes related to litigation or governmental proceedings; 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, 2022, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023; 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.

Q2 2023 Highlights

2023 Q2

Second Quarter 2023 Results:

- Revenues of $238.0 million
- Adjusted EBITDA[1] of $152.7 million, and Adjusted EBITDA[2] margin of 64.2%
- Operating cash flow of $7.7 million
- Benefits Science Technologies (BST) acquisition contributed $2.1 million to revenues

During the second quarter, we:

- Identified potential savings of $5.7 billion for Payors, health plan sponsors and health plan members
- Achieved critical milestones in the execution of our Growth Plan, including:
    - Acquired BST, which accelerated the launch of our new Data & Decision Science service line
    - Partnered with ECHO Health to provide a B2B healthcare payments service
    - Launched our Balance Bill Protection service
- Hosted our inaugural Investor Day

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

# Q2 2023 Results
$ in millions

	Quarter-over-Quarter			Year-over-Year		
	Q1 2023	Q2 2023	Change	Q2 2022	Q2 2023	Change
Revenues	$236.6	$238.0	0.6%	$290.1	$238.0	(18.0%)
Adjusted EBITDA[1]	$156.3	$152.7	(2.3)%	$209.6	$152.7	(27.2)%
Adjusted EBITDA Margin[2]	66.0%	64.2%		72.3%	64.2%	

[1] *See reconciliation of non-GAAP measures included in Appendix*
[2] *Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues*

MultiPlan

Revenue by Service Line

$ in millions

2023 Q2

	Current Quarter	Sequential Quarter		Prior Year Quarter	
Service Line	**Q2 2023**	**Q1 2023**	**% Change**	**Q2 2022**	**% Change**
Network-Based	$57.1	$57.2	(0.1%)	$63.4	(9.9%)
Analytics-Based	$151.4	$152.4	(0.6%)	$193.3	(21.7%)
Payment & Revenue Integrity	$29.4	$27.0	9.0%	$33.4	(12.0%)
Total Revenue	**$238.0**	**$236.6**	**0.6%**	**$290.1**	**(18.0%)**

MultiPlan

Medical Charges Processed and Identified Potential Savings[1]

$ in billions

	Current Quarter	Sequential Quarter		Prior Year Quarter	
	Q2 2023	Q1 2023	% Change	Q2 2022	% Change
Commercial Health Plans					
Medical charges processed	$18.7	$18.4	2 %	$18.6	1 %
Potential medical cost savings	$5.4	$5.3	2 %	$5.4	— %
Potential savings as % of charges	28.5 %	28.6 %		29.0%	
Payment & Revenue Integrity, Property & Casualty, and Other					
Medical charges processed	$24.3	$21.3	14 %	$20.8	17 %
Potential medical cost savings	$0.3	$0.3	— %	$0.3	— %
Potential savings as % of charges	1.3 %	1.4 %		1.3%	
Total					
Medical charges processed	$43.1	$39.7	8 %	$39.4	9 %
Potential medical cost savings	$5.7	$5.6	2 %	$5.7	— %
Potential savings as % of charges	13.1 %	14.0 %		14.4%	

[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 the new methodology provides additional insight into our business, increases alignment with our revenue reporting, and provides 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.

MultiPlan Share of Savings[1]

$ in millions

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Identified potential savings - PSAV	$4,199	$4,208	$4,040	$4,165	$4,475
Revenues – PSAV[2]	$214	$215	$220	$230	$270
Revenues as a % of identified savings – PSAV	5.10 %	5.11 %	5.46 %	5.51 %	6.04 %
Identified potential savings – PEPM	$1,460	$1,362	$1,365	$1,246	$1,182
Revenues – PEPM[3]	$22	$20	$19	$19	$19
Revenues as a % of identified savings – PEPM	1.48 %	1.47 %	1.41 %	1.51 %	1.58 %
Identified potential savings – Total	$5,659	$5,570	$5,404	$5,412	$5,657
Revenues - Total[4]	$238	$237	$241	$250	$290
Revenues as a % of identified savings – Total	4.21 %	4.25 %	4.46 %	4.63 %	5.13 %

Key Drivers of Identified Savings Volume and Revenue as a % of Savings, Q2 2023

- Identified savings from our PSAV revenue model (~90% of our revenue) were flat sequentially, while identified savings from our PEPM revenue model increased 7.2% sequentially
- Revenue as a percentage of savings was flat sequentially in our PSAV revenue model, as positive mix shift mostly offset the residual impact of contract renewals

[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 the new methodology provides additional insight into our business, increases alignment with our revenue reporting, and provides 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 this new methodology.

[2] In our PSAV model, we earn revenue as a percentage of identified savings.

[3] In our PEPM model, we earn revenue per covered life.

[4] Total revenue includes ~$2 million per quarter or less in other revenue not captured in our PSAV or PEPM models.

Our Growth Plan

Our key initiatives are on track and are expected to generate $200M - $275M+ in incremental annual revenue over the next several years

		2023 Initiatives	2024 Initiatives	Annual Revenue Opportunity
On Track	**Expand HST Platform**	▪ Balance Bill Protection	▪ Pharmacy ▪ Care Navigation, Other	$50-$100M
On Track	**Solidify NSA Leadership**	▪ Insights Portal ▪ Rules-Based Processing	▪ Enhanced Rules ▪ Advanced Insights Portal	
On Track	**Other Core Service Enhancements**	▪ Pro Pricer™ ▪ IBR Enhancements	▪ Advanced Code Editing ▪ Next Gen Networks	
Ahead of Schedule	**Expand Service Offerings**	▪ Add Data & Decision Science Services	▪ Add New Services to the Service Line	$100M+
Ahead of Schedule		▪ B2B Payments Partner	▪ B2B Payments Launch	$50-$75M

MultiPlan

Revised FY 2023 Guidance

- 2023 performance tracking to our expectations
- Continue to expect modest growth in 2H ‘23
- Revised guidance includes BST impact since date of acquisition
- BST is expected to contribute ~$12 million to revenues and ~$(2) million to Adjusted EBITDA[1] for FY 2023
- Excluding BST, we now expect FY 2023 revenues of $940 - $970 million

FY 2023E	Prior	Revised
Revenues	$925 – 975M	$950 – 980M
Adjusted EBITDA[1]	$600 – 650M	$615 – 635M
Interest Expense	$325 – 340M	$325 – 335M
Operating Cash Flow[2]	$175 – 215M	$160 – 190M
Capex	$100 – 115M	$110 – 120M
Depreciation	$70 – 75M	$70 – 75M
Intangible Amortization	$335 – 345M	$340 – 345M
Tax Rate	25 – 28%	25 – 28%

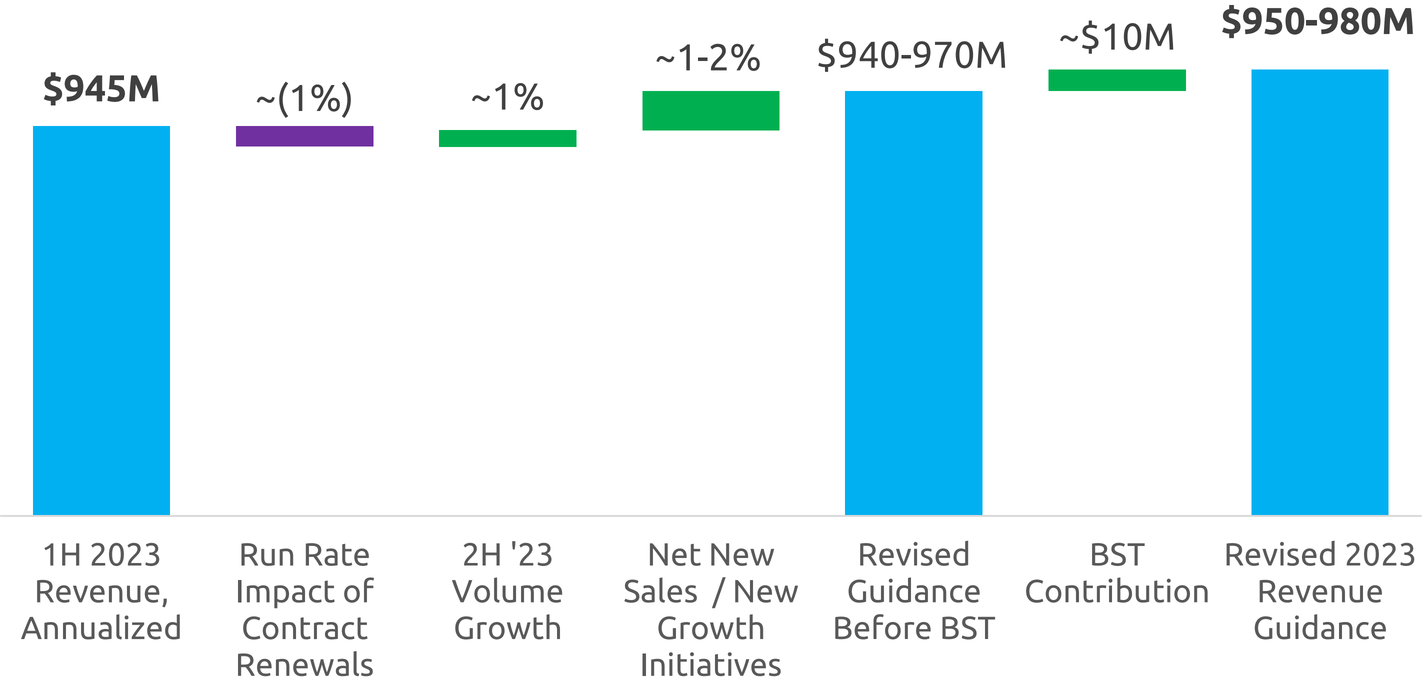
1 We have not reconciled the forward-looking Adjusted EBITDA guidance included above to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs, the most significant of which are incentive 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.

2 Cash flow from operations guidance includes the impact of approximately $22 million that MultiPlan paid in Q1 2023 in connection with the settlement of our previously disclosed Delaware stockholder litigation.

Revised FY 2023 Guidance Bridge

Key 2H ‘23 Revenue Drivers

- 1H ‘23 results tracked as expected
- Modest incremental run rate headwind from contract renewals in 2H vs. 1H
    - 1H ‘23 had some residual benefit of a prior contract through January; 2H ‘23 will not have that benefit
- Maintaining FY 2023 volume growth expectations, despite relative strength in 1H ‘23
- Expect 1-2% annualized growth from net new sales and new growth initiatives in 2H ‘23, consistent with initial guidance
- Positioned for growth in 2024 and beyond



Q3 2023 Guidance

$235-250M
Revenues

$150-160M
Adjusted EBITDA[1]

[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, and 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

Strong free cash flow generation allows us to balance our capital priorities

Investment in the business to drive organic growth	HIGH PRIORITY ●●●
Value creating M&A	LOW PRIORITY NEAR TERM ●○○
Debt paydown	HIGH PRIORITY ●●●
Share buyback	LOW % OF CAPITAL ALLOCATION ●○○

Free Cash Flow Highlights

- Approximately $350M deployed in the last 3 quarters
  - $200M debt retirement
  - $140M acquisition of BST
  - $9M of share repurchase
- Focus on debt retirement in near-term
- M&A on hold as we integrate BST – could be opportunistic

Appendix

Balance Sheet

$ in millions, as of June 30, 2023

Debt Structure

	6/30/2023			Rate	Maturity
Revolving credit facility - Revolver B		Undrawn		LIBOR +3.75%[1]	Aug-26
Term loan B	$	1,302		LIBOR +4.25%[1]	Sep-28
5.500% Senior Secured Notes	$	1,050		5.50%	Sep-28
First lien debt, secured	**$**	**2,352**	(A)		
5.75% Senior Unsecured Notes	$	1,026		5.75%	Nov-28
Senior Convertible PIK notes	$	1,300	(B)	6% cash / 7% in kind	Oct-27
Total long-term debt	**$**	**4,678**			
Less unrestricted cash & cash equivalents	$	90	(C)		
Net debt	**$**	**4,588**	(D)		
TTM Adj. EBITDA[2]	$	643	(E)		
First-lien leverage ratio, net of cash		3.5x	(A-C)/E		
Operating leverage, net of cash		5.1x	(D-B)/E		
Total leverage ratio, net of cash		7.1x	D/E		

[1] Effective July 1, 2023, LIBOR will be replaced by Term SOFR
[2] See reconciliation of non-GAAP measures included in Appendix

MultiPlan

Reconciliation of GAAP and NON-GAAP items

$ in thousands except share data

	Three Months Ended				
	06/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Net income (loss)	$ (36,370)	$ 209	$ (650,138)	$ 19,736	$ 13,512
Adjustments:					
Interest expense	82,475	83,428	82,173	77,087	72,696
Interest income	(2,366)	(3,239)	(2,556)	(886)	(46)
Income tax (benefit) provision	(9,795)	1,693	2,144	(10,687)	6,457
Depreciation	18,901	18,206	17,508	17,481	17,171
Amortization of intangible assets	85,626	85,127	85,128	85,127	85,127
Non-income taxes	662	341	584	76	440
EBITDA	$ 139,133	$ 185,765	$ (465,157)	$ 187,934	$ 195,357
Adjustments:					
Other (income) expenses, net[1]	353	(115)	2,271	553	2,543
Integration expenses	788	1,043	293	1,066	1,024
Change in fair value of Private Placement Warrants and unvested founder shares	763	1,631	(10,607)	(48,851)	5,149
Transaction-related expenses	6,818	1,018	3,273	27,408	1,457
(Gain) loss on investments	—	—	—	—	—
Loss on extinguishment of debt	—	(36,778)	(34,551)	—	—
Loss on impairment of goodwill and intangible assets	—	—	662,221	—	—
Stock-based compensation	4,827	3,695	3,785	4,064	4,104
Adjusted EBITDA	$ 152,682	$ 156,259	$ 161,528	$ 172,174	$ 209,634
Net (loss) income	$ (36,370)	$ 209	$ (650,138)	$ 19,736	$ 13,512
Adjustments:					
Amortization of intangible assets	85,626	85,127	85,128	85,127	85,127
Stock-based compensation	4,827	3,695	3,785	4,064	4,104
Transaction-related expenses	6,818	1,018	3,273	27,408	1,457
(Gain) loss on investments	—	—	—	—	—
Loss on extinguishment of debt	—	(36,778)	(34,551)	—	—
Other (income) expenses, net[1]	353	(115)	2,271	553	2,543
Integration expenses	788	1,043	293	1,066	1,024
Change in fair value of Private Placement Warrants and unvested founder shares	763	1,631	(10,607)	(48,851)	5,149
Loss on impairment of goodwill and intangible assets	—		662,221	—	
Estimated tax effect of adjustments	(24,228)	(13,497)	(15,050)	(30,557)	(23,199)
Adjusted net income	$ 38,577	$ 42,333	$ 46,625	$ 58,546	$ 89,717
Weighted average shares outstanding – Basic	643,339,328	638,721,991	639,121,293	639,073,949	639,001,506

[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.

MultiPlan

Reconciliation of GAAP and NON-GAAP items, continued
$ in thousands

	Three Months Ended				
	6/30/23	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Net cash provided by operating activities	$ 7,685	$ 64,215	$ 27,689	$ 109,036	$ 40,702
Purchases of property and equipment	(31,994)	(23,101)	(25,526)	(20,810)	(18,945)
Levered Free Cash Flow	(24,309)	41,114	2,163	88,226	21,757
Interest paid	99,767	61,717	101,932	48,821	92,816
Unlevered Free Cash Flow	$ 75,458	$ 102,831	$ 104,095	$ 137,047	$ 114,573
Adjusted EBITDA	$ 152,682	$ 156,259	161,528	172,174	209,634
Adjusted Cash Conversion Ratio	*49 %*	*66 %*	*64 %*	*80 %*	*55 %*
Net cash used in investing activities	$ (173,288)	$ (23,101)	(25,526)	(20,810)	(33,945)
Net cash used in financing activities	$ (10,739)	$ (109,437)	(103,424)	(3,493)	(3,551)

Medical Charges Processed and Identified Potential Savings[1]

($ in billions)

	Three Months Ended								
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Commercial Health Plans									
Medical charges processed	$ 18.7	$ 18.4	$ 18.1	$ 17.9	$ 18.6	$ 19.5	$ 20.0	$ 19.2	$ 19.0
Potential medical cost savings	$ 5.4	$ 5.3	$ 5.1	$ 5.1	$ 5.4	$ 5.5	$ 5.6	$ 5.3	$ 5.2
Potential savings as % of charges	28.5%	28.6%	28.3%	28.6%	29.0%	28.3%	27.9%	27.7%	27.5%
Payment & Revenue Integrity, Property & Casualty, and Other									
Medical charges processed	$ 24.3	$ 21.3	$ 20.9	$ 20.8	$ 20.8	$ 18.6	$ 18.3	$ 18.3	$ 17.0
Potential medical cost savings	$ 0.3	$ 0.3	$ 0.3	$ 0.3	$ 0.3	$ 0.2	$ 0.3	$ 0.3	$ 0.3
Potential savings as % of charges	1.3%	1.4%	1.4%	1.3%	1.3%	1.3%	1.4%	1.4%	1.6%
Total									
Medical charges processed	$ 43.1	$ 39.7	$ 39.0	$ 38.7	$ 39.4	$ 38.1	$ 38.3	$ 37.5	$ 36.1
Potential medical cost savings	$ 5.7	$ 5.6	$ 5.4	$ 5.4	$ 5.7	$ 5.8	$ 5.8	$ 5.6	$ 5.5
Potential savings as % of charges	13.1%	14.0%	13.9%	14.0%	14.4%	15.2%	15.2%	14.8%	15.2%

[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.