



# Oscar Health, Inc. 2023 JPM Presentation



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# Disclaimer

## Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained herein are forward-looking statements. These statements include, but are not limited to, statements about our vision, financial outlook, estimates, targets and prospects, our management's business strategy and plans and objectives for future operations, and general healthcare industry market conditions and trends. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other similar expressions. Accordingly, Oscar Health, Inc. (the "Company", "we", "us", "our") caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, and uncertainties that are difficult to predict and generally beyond our control.

Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, there are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following: the impact of COVID-19 on global markets, economic conditions, the healthcare industry and our results of operations, and the response by governments and other third parties; our ability to retain and expand our member base; our ability to execute our growth strategy and scale our operations; our ability to meet increased capital requirements as a result of expanding membership; our ability to maintain or enter into new partnerships, service arrangements or collaborations with healthcare industry participants; negative publicity, unfavorable shifts in perception of our digital platform or other member service channels; our ability to achieve and/or maintain profitability in the future; changes in federal or state laws or regulations, including changes with respect to the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, as amended (collectively, the "ACA") and any regulations enacted thereunder; our ability to accurately estimate our incurred claims expenses or effectively manage our claims costs or related administrative costs, including as a result of fluctuations in medical utilization rates due to the impact of COVID-19; our ability to comply with ongoing regulatory requirements and applicable performance standards, including as a result of our participation in government-sponsored programs, such as Medicare, and as a result of changing regulatory requirements; changes or developments in the health insurance markets in the United States, including the passage and implementation of a law to create a single-payer or government-run health insurance program; our ability to comply with applicable privacy, security, and data laws, regulations, and standards; our ability to maintain key in-network providers and good relations with the physicians, hospitals, and other providers within and outside our provider networks, or to arrange for the delivery of quality care; unfavorable or otherwise costly outcomes of lawsuits, regulatory investigations and audits and claims that arise from the extensive laws and regulations to which we are subject; unanticipated results of risk adjustment programs; delays in our receipt of premiums; disruptions or challenges to our relationship with the Oscar Medical Group; cyber-security breaches of our and our partners' information and technology systems; unanticipated changes in population morbidity and large-scale changes in health care utilization; and the other factors set forth under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, filed with the Securities and Exchange Commission ("SEC"), and our other filings with the SEC.

You are cautioned not to place undue reliance on any forward-looking statements made in this presentation. Any forward-looking statement speaks only as of the date as of which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise.

# Disclaimer

## Industry Information

Unless otherwise indicated, information concerning the Company's industry and the markets in which the Company operates, including the Company's general expectations, market position, market opportunity, and market size, are based on management's knowledge and experience in the markets in which the Company operates, together with currently available information obtained from various sources, including publicly available information, industry reports, and publications, reports from government agencies, surveys, the Company's members and providers, and other contacts in the markets in which the Company operates. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from the Company's internal research. In presenting this information, the Company has made certain assumptions that it believes to be reasonable based on such data and other similar sources and on the Company's knowledge of, and the Company's experience to date in, the markets in which it operates. While the Company believes the market and industry data included in this presentation (and upon which the management estimates included herein are in part based) are generally reliable, such information is inherently uncertain and imprecise, and you are cautioned not to give undue weight to such data or the management estimates based on such data. Market and industry data are subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of such data. Certain of these publications, studies and reports were published before the COVID-19 pandemic and therefore do not reflect any impact of COVID-19 on any specific market or globally. In addition, projections, assumptions, and estimates of the future performance of the markets in which the Company operates and the Company's future performance are necessarily subject to uncertainty and risk due to a variety of factors that could cause results to differ materially from those expressed in the estimates made by third parties and by us. Accordingly, you are cautioned not to place undue reliance on such market and industry data or any other such estimates. In addition, references to third-party publications and research reports herein are not intended to imply, and should not be construed to imply, a relationship with, or endorsement of us by, the third-party producing any such publication or report.

## Non-GAAP Financial Measures

This presentation includes certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States ("GAAP") to supplement financial information presented in accordance with GAAP. There are limitations to the use of non-GAAP financial measures, and such non-GAAP financial measures should not be construed as alternatives to financial measures determined in accordance with GAAP. The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The Company's presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company's future results will be unaffected by other unusual or non-recurring items.

Oscar is the **first** health insurance company built around a **full stack technology** platform and a relentless focus on serving our **members**



# Track Record of Growth and Improved Profitability

**1M+** Members as of 3Q22

**\$6.7 -  
\$6.9B** Direct and Assumed  
Policy Premiums  
expected in FY22

**75%** Direct and Assumed  
Policy Premium CAGR  
over past 5 years

**10+** Points of MLR  
improvement over  
past 5 years

**45** NPS Score as of  
3Q22 vs. industry  
average of 3

**11%** Average total cost of care  
savings for members that  
use our Care Router  
recommendation in 2022

# Strong Execution in 2022 Paves the Way for InsureCo Profitability \*

**~80%**

Membership  
growth YoY

**~100%**

Direct and Assumed  
Policy Premium  
growth YoY

**84% - 86%**

Projected FY22 MLR,  
~400bps of  
improvement YoY,  
at the midpoint

**~400bps**

Of Adj. Admin  
expense ratio margin  
improvement

**~700bps**

Of Adj. EBITDA  
margin improvement  
as % of premiums  
before ceded  
reinsurance YoY \*\*

\* Results reflect estimates for YE22 outlook

\*\* Oscar has not provided a quantitative reconciliation of estimated Adjusted EBITDA to estimated GAAP net loss within this presentation because Oscar is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to, stock-based compensation expense. These items, which could materially affect the computation of estimated GAAP net loss, are inherently uncertain and depend on various factors, some of which are outside of Oscar's control. As such, any associated estimate and its impact on GAAP net loss could vary materially.

# Drivers of InsureCo Profitability in 2023

## Pricing in 2023 focused on expanding margins

Expecting stable membership post OE of 1M - 1.1M members



100%

## Market & product optimization

Exited Medicare Advantage in NY/TX, exited AR/CO in ACA, and overall portfolio more balanced towards profitable markets and products



100%

## Administrative savings

Optimized distribution expenses, renegotiated vendor contracts based on scale, right-sized fixed costs



75%

## Total Cost of Care savings

Improved FWA processes, out of network optimization, implementation of updated policies and processes, and pharmacy savings



50%

# Uniquely Positioned to Address Core Industry Trends



## Consumer-Oriented

- An “alternate reality” healthcare system is emerging
- The share of not-directly-clinical interactions with healthcare is increasing: sleep rings, pandemic mental health
- Healthcare purchasing is individualizing



## Digital and Virtual

- More than 90% of people use a digital health tool
- Digital engagement positioned to create more than \$20M in savings in 2023
- Virtual primary care plans now available to ~550K Oscar members



## Value-Based

- Value-based payments make up about 22% of all care delivery payments and are up 18% YoY
- 48% of Oscar members in a value-based arrangement
- Digital health vendors are starting to take risk



# The Power of Our Full Stack Tech Platform

## Engagement & Growth Platform



Digital experience, campaigns, and tools to drive behavior change, broker and growth solutions

**Digitally-engaged members  
6 pts more likely to stay with Oscar**

## Payer Administration & Automation Platform



Cloud-native core admin solution that enables innovative plan design and workflow automation

**Savings of \$20M from our digital engagement tools**

## Clinical Engagement & Analytics Platform



Data ingestion and reconciliation with actionable value-based care analytics

**48% of Oscar members in a value-based arrangement in 2023**

# Product Demo



# Closing Takeaways

Executing on our current plan with clear line of sight into Adjusted EBITDA profitability in 2024

Building a long-term sustainable business with improving unit economics

Our innovative technology drives our model and we're monetizing it through +Oscar

Uniquely positioned to address key trends of consumerization, digitization, and value-based care