

Ryan Schmidt, Investor Relations

Good afternoon, everyone. Joining me on our call today to discuss the company's second quarter 2025 results are Andrew Toy, Clover Health's Chief Executive Officer, and Peter Kuipers, the Company's Chief Financial Officer. You can find today's press release and the accompanying supplemental slides, as well as the Company's most recent investor deck, in the 'Investor Events & Presentations' section of our website at investors.cloverhealth.com. This webcast is being recorded, and a replay will be available in the Investor Relations section of the Clover Health website.

I'd also like to caution you that we may make forward-looking statements during today's call that are subject to risks and uncertainties, including expectations about future performance. Factors that may cause actual results to differ materially from expectations are detailed in our SEC filings, including in the Risk Factors section of our most recent Annual Report on Form 10-K and other SEC filings.

Information about non-GAAP financial measures referenced, including a reconciliation of those measures to GAAP measures, can be found in the earnings materials available on our website. With that, I'll now turn the call over to Andrew.

Andrew Toy, Chief Executive Officer

Thank you, Ryan.

Welcome everyone to our second quarter earnings call! We are happy to report that we've delivered yet another impactful quarter this year, building our momentum and demonstrating our ability to achieve meaningful growth alongside sustained Adjusted EBITDA profitability in Medicare Advantage, through the first half of the year.

To start, I feel we are executing well against our strategy. We have always aimed to position Clover to win over the long-term within Medicare Advantage, and our arc has been simple: first achieve profitability, then return to growth while sustaining profitability, and then leverage our differentiated model to accelerate growth and profitability together.

We exceeded our Adjusted EBITDA profitability target in 2024. Through the first half of 2025, we are executing well and believe that we are proving that we can achieve sustained Adjusted EBITDA profitability amidst meaningful membership and revenue growth, all during a 3.5 Star payment year. And most importantly, we expect that our performance in 2025 will position us very well to accelerate both growth and profitability in 2026, which is a 4 Star payment year, and where we will continue to offer our flagship wide network PPO plan while others retreat from that offering. Our trajectory is clear, we are confident in the path ahead and while not all market plan data is available yet, we have reason to believe this will be another strong membership growth

season for us, potentially even stronger than this year. Also, with next year being a 4 Star payment year, we feel we should be able to strongly grow 2026 Adjusted EBITDA as well.

Next, let's discuss how our second quarter highlights our strategic arc, and the significant value our technology-first care model brings to our members. As I mentioned, we're continuing to deliver robust membership and revenue growth this year, alongside sustained Adjusted EBITDA profitability in our business. Since last quarter, our Medicare Advantage book has continued to increase membership, and we are now projecting ending 2025 with even more members. This is not just growth for growth's sake. We're making a real difference by bringing earlier care management, via Clover Assistant technology, to more-and-more Medicare Advantage seniors. We're of course proud of our financial results so far this year, and I believe we have truly differentiated ourselves through the unmatched value we bring to our members. We continue to lead with physician choice, affordability, and high-quality healthcare through our technology-first care model, and we are driving real-life results. And this, ultimately, is driving our growth, and we believe is why seniors are choosing Clover Medicare Advantage plans.

As another example of our model's impact, earlier this month we published a clinical whitepaper on chronic obstructive pulmonary disease, or COPD, showing that a relationship with a Clover Assistant provider was correlated with 15% fewer hospitalizations and 18% fewer readmissions. Our results are more than just numbers on a page, they're a testament to the momentum we're building and the effectiveness of Clover Assistant to make a real-world impact in better managing chronic diseases.

Next, I would like to discuss broader industry managed care trends, particularly in the context of the pressures others are noting in the Medicaid and ACA markets. It's crucial to note that at Clover – our business is Medicare Advantage. We do not run stand-alone Medicaid plans, nor do we participate on the ACA exchanges. We do serve dual-eligible members, but these Medicare Advantage individuals are, by definition, seniors or are disabled – meaning that they are not impacted by dynamics like work requirements within the construct of Medicaid redeterminations. As such, we believe that our Medicare Advantage focus should help insulate us from these broader industry pressures.

However, we are also seeing some of the elevated cost trends within our MA book that others in the industry have identified. That said, we are generally satisfied with the underlying trends we're observing in our portfolio. I would note that we are keeping a particularly close watch on the impacts from the Part D IRA changes this year. Given that this is the first year of the new program, there is less of a historic baseline to trend against and so we anticipate more variability in our modeling of performance. As such, we are diligently monitoring this to see how it plays out through the remainder of the year. Put another way, while I think we are appropriately focused on delivering our care management model, we also recognize that Part D remains a big 'Known-Unknown' for the second half of the year. This is also consistent with the recently published Part D Direct Subsidy rate, which is materially higher for 2026 than for 2025, signaling higher costs than expected by the industry. The good news is that this also gives us reason to believe that Part D pressure in 2025 might be alleviated in 2026.

With all that said, against this backdrop of general managed care headwinds, we continue to believe our technology-centric care delivery model differentiates us. Remember that our approach to managing total cost of care is fundamentally different. It's anchored on identifying and managing diseases as early as possible via Clover Assistant, and simultaneously delivering crucial support through our Clover Care Services offering, when and where our members need it most. This unique approach allows us the potential to truly bend the cost curve over time for our members, and effectively manage trends amidst broader industry pressures.

To that end, we're extremely excited about the new 'Health Tech Ecosystem' initiative unveiled last week by CMS and the White House that focuses on building a truly patient-centric, interoperable ecosystem. This initiative, fostering a smarter, more secure, and personalized healthcare experience through enhanced interoperability and real-time information sharing, resonates deeply with the foundational principles we've championed at Clover since day one. Clover Assistant is already built upon the very interoperability framework and FHIR standards highlighted last week, both utilizing data to generate actionable insights, and contributing those insights back into the networks. Ultimately Clover Assistant and AI technologies all scale with data, and we see this initiative as turbocharging data access which will then bring a significant accelerant to our technology approach.

Looking to 2026, we anticipate building on our successful 2025 strategy, with an even sharper focus on profitable growth in our bids. Our commitment to expanding Clover Assistant's reach, emphasizing retention in existing markets, and balancing new and returning member cohorts remains central to accelerating our growth strategy. While the competitive MA landscape will undoubtedly evolve, we're confident in our pricing and positioning next year during a 4 Star payment year, as we've already proven we can deliver strong MA performance during a 3.5 Star payment year in 2025. This step-up in our Stars rating provides us with an added financial tailwind in 2026, and we believe that this will also position us to continue to strengthen our insurance product. We're proud of the growth and momentum we've achieved in our results so far this year, and look forward to our flywheel starting to spin much faster as we go into 2026.

Now let's discuss our Counterpart Health progress and overall strategy. Since we announced last year that we made our same CA technology platform available to other risk bearing entities, we've seen broad interest and uptake. Our belief is that everything in healthcare ultimately revolves around the health outcomes and total cost of care of a patient. Involved in delivering those outcomes are a number of healthcare ecosystem players - primary care physicians, risk bearing ACOs, pharmacies, large hospitals and of course, health insurers, both regional and national.

Counterpart Assistant can benefit all these third parties; and the interest we've received through the deals we've already announced shows the varied application potential of the tool both by scaling CA within our own plan and outside of it. In particular, we are seeing a lot of resonance with plans that need assistance with Star ratings and HEDIS quality scores, as well as managing costs within their PPO wide networks. Based on this, we are very excited to have pipeline deals and deployments across the healthcare ecosystem. As a reminder, while we

aren't able to announce every customer, we have announced several large health system deals, and we're very pleased with our progress with payer partners. Our MA plan also recently announced a pilot to use CA with independent pharmacies, bringing our technology to yet another, often overlooked, site of care.

I'm excited about our progress and I believe we are well on our way to showing that Counterpart Assistant is capable of powering Medicare Advantage not just in our own plan, but in any managed care setting, nationwide, and that it's ready for prime-time scale.

In summary, we are focused on achieving our goals this year and are strategically positioning the Company for the future. We're growing significantly, operating profitably, and differentiating ourselves through our technology-first model. Simultaneously, we are setting the stage for an even more impactful 2026, which we believe will cement our position as a leader in Medicare Advantage.

Now, I'll hand it over to Peter for a more detailed financial update.

Peter Kuipers, Chief Financial Officer

Thank you, Andrew.

Before we get to the financials, I want to emphasize our strong position in today's managed care environment.

We are demonstrating great Medicare Advantage execution, leading with our wide network PPO plan that currently serves 97% of our members. We have achieved over 30% membership growth, which is well above the industry, all while maintaining profitability on a 3.5 Star payment year. We have outlined our year-over-year profitability drivers on page 8 of the earnings deck posted to our IR website. We are absorbing typical new member growth headwinds through the strong economics of our returning cohorts. And while our variable and growth SG&A cost is increasing due to this strong growth, coupled with our strategic investments into our model, this is effectively balanced by ongoing cost efficiencies in our business, a topic I'll elaborate on later.

Now diving into the financials. Our results reflect continued growth and momentum in Medicare Advantage with sustained Adjusted EBITDA profitability through the first half of 2025. We've grown both membership and revenue by more than 30% year-over-year, and at the same time we improved GAAP Net Loss from continuing operations by \$4 million dollars, to \$12 million dollars, and maintained our year-to-date Adjusted EBITDA and Adjusted Net Income steady at \$43 million dollars and \$42 million dollars, respectively.

Our results, powered by our technology-first model of care, reinforce our confidence in achieving our updated full-year 2025 guidance. We believe this also positions us well for accelerated growth and a meaningful increase in profitability in 2026, which is a 4 Star payment year.

Now, let's move to a more detailed review of our second quarter financial performance, drivers, and our updated full-year 2025 guidance.

Clover's core fundamentals are strong, with well above-market Insurance revenue and membership growth. Second quarter 2025 Medicare Advantage membership grew 32% year-over-year to above 106,000 members. This growth fueled a 34% increase in Insurance revenue to \$470 million dollars in the second quarter, and similarly 34% growth year-to-date to \$927 million dollars, as compared to the prior year period.

And as our strategic growth flywheel continues to spin, we are generally satisfied with the underlying trends we're observing in our portfolio. While we are seeing some of the elevated Medicare Advantage cost trends that others in the industry have identified, we remain confident in our ability to manage our book. Both new and returning member cohort performance has been strong, which we attribute to our differentiated tech-first model of care to manage Part C cost trends and identify diseases as early as possible. That said, during the second quarter we observed some elevated pockets of utilization within supplemental benefits, as well as elevated Part D utilization from IRA impacts. While this did negatively impact our results, we have implemented different initiatives to monitor and manage these developments going forward. As such, we've slightly increased our full-year 2025 Insurance BER guidance to reflect these developments, which I will discuss in more detail later.

As it relates to the elevated utilization levels we're seeing within Part D, and as Andrew mentioned, we are keeping a close eye on the impacts from the first year of the IRA changes, and we will continue to diligently monitor any evolving trends we are seeing here.

Moving to SG&A, we continue to drive operating leverage and efficiencies in our business amidst our strong growth. Adjusted SG&A as a percentage of total revenues improved to 17% this quarter, a 280 basis point improvement year-over-year. This demonstrates our ability to gain operating leverage amidst increased variable and growth SG&A costs necessary to support our strong new membership growth this year. More importantly, our result is net of our continued strategic investments focused on Stars, quality initiatives, further improving our Home Care & Clover Assistant platform capabilities, and further accelerating the reach of CA in our MA plan as well as in our Counterpart Health offering, all while leveraging technology and AI to gain further efficiencies in our SG&A. Our focus remains on disciplined, strategic investments to create lasting value for our members.

More importantly, we have sustained our Adjusted EBITDA profitability profile in tandem with our strong growth through the first half of this year. GAAP Net Loss was \$11 million dollars this quarter, bringing year-to-date GAAP Net loss to \$12 million dollars, and this represents an improvement year-to-date of \$4 million dollars compared to the same period last year. During the second quarter, in tandem with our continued strong membership and revenue growth, we delivered \$17 million dollars in Adjusted EBITDA and \$17 million dollars of Adjusted Net Income. For the year-to-date period, Adjusted EBITDA reached \$43 million dollars and Adjusted Net Income is \$42 million dollars, both remaining steady year-over-year amidst 32%

membership growth. This underscores the strength of our differentiated growth model, sound Insurance operations, and solid cohort management.

In addition, our performance this quarter resulted in an Insurance BER of 88.4%, compared to 76.1% in the second quarter of 2024, bringing our year-to-date Insurance BER to 87.3%, and developing in line with our updated guidance for the full year of 2025. As you may recall, last year during the second quarter 2024 we experienced heightened prior period development that skews the year-over-year comparisons. The year-over-year increase in Insurance BER also includes the continued impact of our CA-enabled affiliate entity, focused on improving care coordination and health outcomes for our New Jersey plan and members. We continue to push forward with this initiative to drive higher quality and better health outcomes for our members via better care coordination services, unified care management and a deeper focus on our partnerships with local physicians.

Lastly, days in claims payable was 32 days as of June 30, 2025, representing a decrease of 5 days sequentially. This represents continued normalization of our claims inventory from early last year when we experienced an increase in claims backlog as a result of the industry-wide Change Healthcare incident that occurred simultaneously with our back-office Business Process as a Service MA ecosystem transition. In an effort to normalize our claims inventory since last year, we have accelerated our timeliness of claims payments. We believe that we have now adequately normalized our claims inventory, and that our DCP is within expected go-forward ranges.

Moving on to the balance sheet, we ended the second quarter with cash, cash equivalents, and investments totaling \$389 million dollars on a consolidated basis, with \$146 million dollars at the unregulated subsidiary level. During the second quarter 2025, cash flow from operating activities was \$5 million dollars, favorably impacted by our results this quarter, bringing our year-to-date cash flow used in operating activities to \$11 million dollars. We expect that our cash balances will remain strong for the remainder of 2025, which will allow us to continue to operate from a position of strength as we invest in our growth model in 2026 and beyond.

Finally, we have maintained our full-year 2025 Adjusted Net Income and Adjusted EBITDA profitability guidance, underscoring our continued business execution, strong intra-year membership growth, and the power of our differentiated model of care. And while our overall outlook remains consistent, we are providing the following guidance updates to reflect the latest developments in our business:

- We are increasing our Medicare Advantage membership guidance to now average between 104,000 - 108,000 members, reflecting 32% membership growth year over year at the midpoint and continued intra-year growth this year.
- We are reconfirming our Insurance revenue of between \$1,800 million dollars and \$1,875 million dollars, reflecting year over year growth of 37% at the midpoint of the range.

- We are improving our Adjusted SG&A guidance to be between \$335 million dollars and \$345 million dollars. This represents Adjusted SG&A as a percentage of total revenue of 18% to 19%, and is an approximate 300 basis point decrease, or improvement, year over year at the midpoint of the range. This reflects our continued ability to gain operating leverage in our business as we grow.
- For the full-year 2025, we are maintaining both Adjusted EBITDA and Adjusted Net Income guidance of between \$50 million dollars and \$70 million dollars.
- Lastly, we are updating our Insurance BER guidance to a range of 88.5% to 89.5%. This incorporates the underlying trends we have observed this quarter in Part D and supplemental benefits discussed earlier, and notably, the impact of our MA membership growth outperformance so far this year. While new members inherently bring near-term cost pressure as we bring them into our care model, we view this incremental membership growth positively as it further strengthens our conviction for 2026 and beyond where these new members will mature into returning members in the future.

And lastly, we continue to expect typical revenue and medical cost seasonality during the second half of the year, with customary elevated utilization, particularly during the fourth quarter. That said, this is simply normal Medicare Advantage seasonality. We remain confident in our unique care model, and are focused on empowering PCPs with technology to identify and manage chronic diseases as early as possible to effectively manage costs amidst broader industry pressures.

In summary, we are executing well on our strategy this year, achieving strong Medicare Advantage performance with above market growth and sustained Adjusted EBITDA profitability year to date, which we believe firmly positions us for continued success in 2026 and beyond. We remain confident in our trajectory for the following reasons:

- First, as Andrew mentioned earlier, we are confident in the growth path ahead and while not all market plan data is available yet, we have reason to believe that this will be another strong membership growth season for us. Our underlying financial performance allows us to continue to invest in quality and affordability for our members, fueling our growth flywheel, as well as continued investments to expand the reach of Clover Assistant to better manage our new and returning member cohorts.
- Second, we are continuing to prioritize returning member retention in our 2026 bid strategy. We expect the unit economics of our large cohort of new members added in 2025 to significantly improve into 2026 as returning members. And we also expect a continued favorable impact from further improvement in our year 3+ returning member cohorts.
- Third, in 2026 we will increase to a 4 Star payment year for our PPO plans, which brings financial tailwinds that will favorably impact our results as 97% of our members are currently enrolled in our wide network PPO plans.
- Fourth, we expect a compounding favorable impact from the CMS final rate notice announced earlier this year that affects the broader industry. Although this is particularly

additive to Clover given we are moving from a 3.5 Star payment year in 2025 to a 4 Star rating for payment year 2026.

- Lastly, we believe that there will be an incremental impact from our efforts to gain operating leverage via our initiatives to optimize variable, fixed, and growth SG&A costs.

By leveraging this year's momentum and targeted investments in our care platform, we believe we are strategically positioned to meaningfully increase profitability, drive strong growth, and truly unlock Clover Health's full potential in 2026 and beyond.

Now, I'll turn the call back to Andrew for closing comments.

Andrew Toy, Chief Executive Officer

Thanks Peter. In conclusion, we have delivered significant growth this quarter amidst sustained Adjusted EBITDA profitability, clearly executing our strategy. Our differentiated, tech-first care model is consistently delivering value for members and enabling us to effectively manage costs and drive our strong performance.

We remain confident in our full-year 2025 performance, and we believe we are strategically positioned for accelerated growth and sustained profitability, unlocking Clover's full potential in the future. With that, let's open it up for questions.

[Q&A]

Andrew Toy, Chief Executive Officer

Fantastic. I want to thank everybody for joining us today, thank you for taking the time and for your questions. Truly value everyone's interest in Clover Health, and we'll be speaking with everyone again soon. Thanks again and enjoy the rest of your evening.