

Morgan Stanley 19th Annual Global Healthcare Conference

R1[®]

September 9, 2021



Forward-Looking Statements and Non-GAAP Financial Measures

This presentation includes information that may constitute “forward-looking statements,” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to future, not past, events and often address our expected future growth, plans and performance or forecasts. These forward-looking statements are often identified by the use of words such as “anticipate,” “believe,” “designed,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “will,” or “would,” and similar expressions or variations, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about the potential impacts of the COVID-19 pandemic, our strategic initiatives, our capital plans, our costs, our ability to successfully deliver on our commitments to our customers, our ability to deploy new business as planned, our ability to successfully implement new technologies, our future financial performance and our liquidity, the VisitPay acquisition and the anticipated benefits of acquisitions, dispositions, and other strategic transactions. Such forward-looking statements are based on management’s current expectations about future events as of the date hereof and involve many risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Subsequent events and developments, including actual results or changes in our assumptions, may cause our views to change. We do not undertake to update our forward-looking statements except to the extent required by applicable law. You are cautioned not to place undue reliance on such forward-looking statements.

All forward-looking statements included herein are expressly qualified in their entirety by these cautionary statements. Our actual results and outcomes could differ materially from those included in these forward-looking statements as a result of various factors, including, but not limited to, our ability to retain existing customers or acquire new customers; the development of markets for our RCM service offering; the impact of the COVID-19 pandemic on our business, operating results and financial condition; our ability to close the VisitPay acquisition and integrate its business as planned; our ability to integrate our customers’ revenue cycle management employees; our ability to realize the anticipated benefits of acquisitions, strategic initiatives and other investments; developments in the healthcare industry, including national healthcare reform; and the factors discussed under the heading “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2020, our quarterly reports on Form 10-Q and any other periodic reports that R1 RCM Inc. (the “Company”) files with the Securities and Exchange Commission (the “SEC”).

This presentation includes the following financial measure that was not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”): Adjusted EBITDA. Adjusted EBITDA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. This non-GAAP financial measure should not be considered in isolation or as a substitute for analysis of our results of operations as reported under GAAP. Please refer to the Appendix located at the end of this presentation for a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

Leading Technology-Driven Platform to Manage Healthcare Provider Revenue



Transforming Revenue Performance Across Care Settings and Payment Models

R1

Solutions address the **full spectrum of needs and operations**

All Care Settings

Ambulatory

Acute

Post-Acute

All Revenue Cycle Phases

Order to Intake

Care to Claim

Claim to Payment

All Payment Models

Fee-for-service

Patient Self-pay

Value-based

Compelling Value Proposition for All Healthcare Providers

NEED

Growing pressure to run revenue cycle more efficiently

VALUE ADD

R1

We plug into healthcare providers' **existing IT systems**

RESULTS

- Higher patient satisfaction
- Lower costs
- Higher revenue
- Faster collections



Why We Win

R1 Infrastructure and Capabilities



**Proprietary
Technology**



**Experienced
Talent**



**Performance
Analytics**



**Global Shared
Services**



**Proven
Results**

**Flexible
Engagement
Models**

Operating Partner

Co-Managed

Modular

Financial Outlook

\$M	2021	Medium-Term ² Objectives
Revenue ¹	1,460 – 1,480	Annual growth in end-to-end NPR under management: 10-12%
Operating Income	135 – 145	Annual adjusted EBITDA Growth: 12-15%
Adjusted EBITDA	330 – 340	Adjusted EBITDA Margin: ~25%

Note¹: 2021 guidance assumes patient volumes at 90-95% pre-COVID levels

Note²: Medium-term is defined as 3-5 years post-2021

Expect to add \$4B in new end-to-end NPR under management in 2021

Investment Highlights

- 1** Large and Growing Total Addressable Market
- 2** Leading Platform for Provider Revenue Management
- 3** Clear and Expanding Competitive Advantage
- 4** Significant Revenue Growth with High Visibility
- 5** Deploying Proven Playbook for Margin Expansion

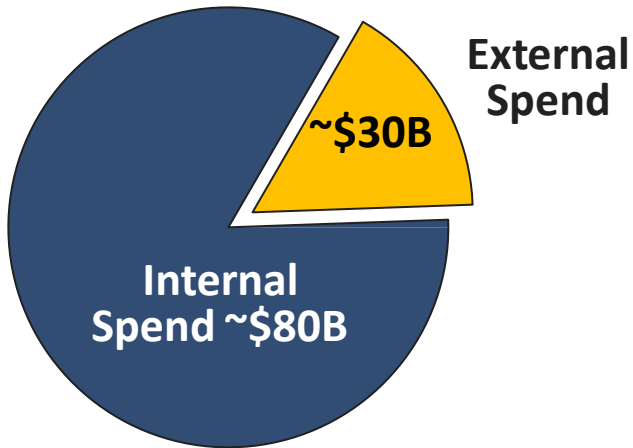
Evolving Market Dynamics Driving Significant Opportunity

Financial Pressure	Patient Experience	Increasing Complexity	Industry Consolidation	Capital Constraints
<ul style="list-style-type: none">▶ Declining reimbursement▶ Inflationary labor pressures	<ul style="list-style-type: none">▶ Demands for consumer-friendly technology	<ul style="list-style-type: none">▶ Higher costs▶ Fatigue with point solutions	<ul style="list-style-type: none">▶ Infrastructure not delivering scale advantages	<ul style="list-style-type: none">▶ Priority on clinical investments
				

Large, High Growth and Underpenetrated RCM Market

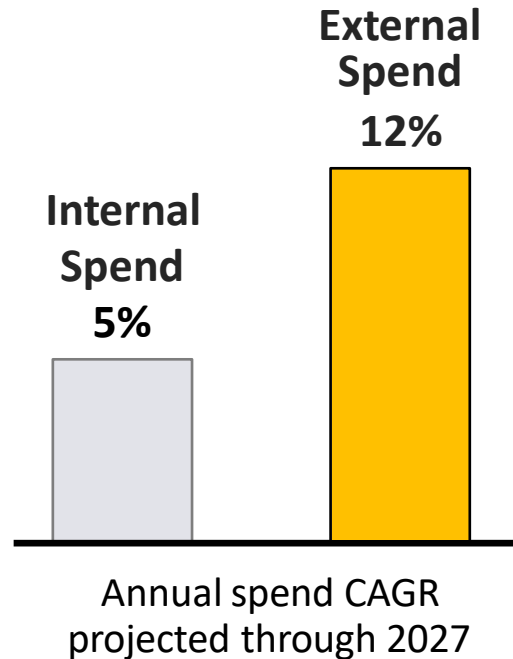
Total TAM is \$110B¹

Acute-Care \$70B
Physician \$40B

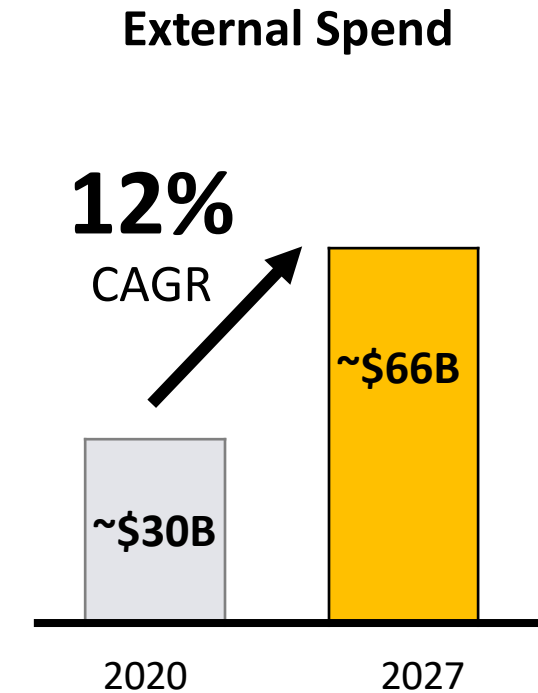


>70% of Spend Still Managed In-House

External Spend Growing >2x Internal Spend²



External Spend Expected to Double by 2027^{1,2}



R1 growing faster than the market at >15%³

Clear and Expanding Competitive Advantage

1

Platform of Choice



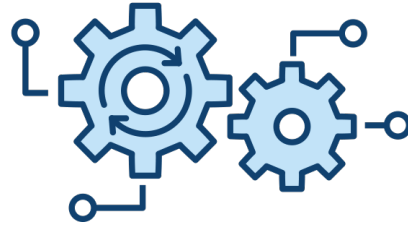
High
Quality

Low
Cost

Proven
Results

2

Comprehensive Automation



RPA

Machine
Learning

NLP

3

Entri: Intelligent Patient Access



Patient
Experience

Intake

Consumer
Payments

4

Enabling Providers to Power Value-Based Contracts



Scale

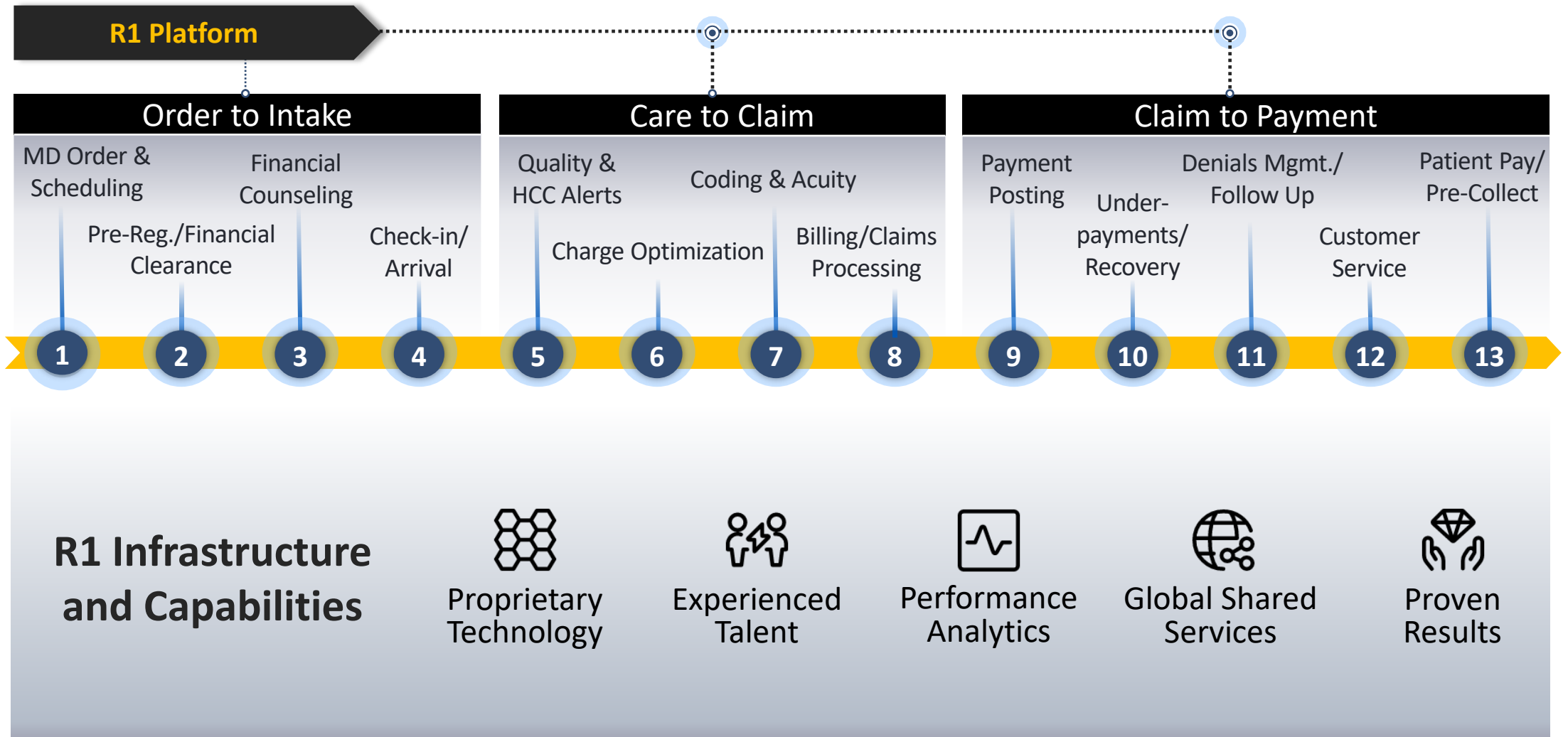
Contract
Visibility

Payment
Model
Flexibility

$$\text{Scale advantage} = f \left(\text{Proven operating system} + \text{Innovative technology} + \text{Global delivery} + \text{Performance analytics} \right)$$

Market-Leading Platform to Manage Mission-Critical Process

1
Platform of Choice



Comprehensive Portfolio of Technology Solutions



Order to Intake

- R1** >> Entri
- R1** >> ACCESS **R1** >> LINK
- visitpay*

Care to Claim

- R1** >> INSIGHT **R1** >> PAS
- R1** >> CHART MANAGER

Claim to Payment

- R1** >> DECISION **R1** >> POST
- R1** >> CONTACT

R1 Analytics

R1 Intelligent Automation

1 Transformative Technology for R1; Built-for-Purpose Ecosystem

- Platform of expert rules, machine learning, OCR/NLP, RPA, and workflow orchestration expands automation opportunities
- Strategic business partnerships with leading RPA platforms enables efficient scaling and hardens security

2 Significant Investment Drives Scaled Execution Capability

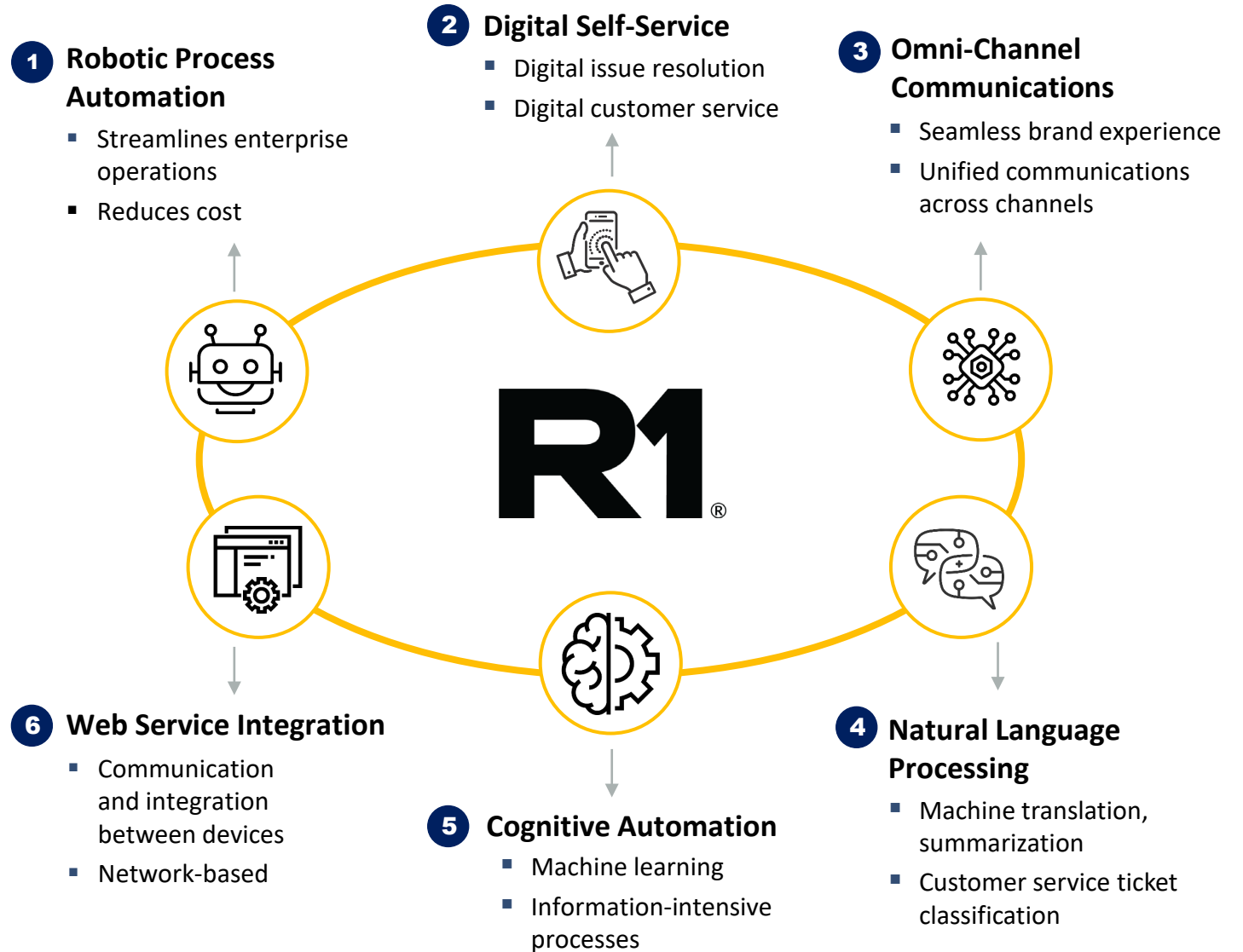
- Invested \$35M+ in Digitization since 2018
- Center of Excellence with 120+ dedicated resources
- Secure connections to 75+ Health IT systems
- 100's of Workflows Automated

3 Significant Financial Impact

- Differentiated capability automating 50M tasks and the work of 1,200+ FTEs annually
- \$20M+ annual EBITDA contribution from current production routines demonstrates value
- Integrated technology foundation fuels significant automation potential

Automation Offerings

- 1** Robotic Process Automation (RPA)
- 2** Digital Self-Service
- 3** Omni-Channel Communications
- 4** Natural Language Processing
- 5** Cognitive Automation
- 6** Web Service Integration





Book



Clear



Arrive



Pay

Intuitive Scheduler

- Order & referrals integrated from the start
- Patients and providers book in real-time based on true capacity
- Built-in proprietary clinical & administrative rules & logic

Verify & Register

- Comprehensive pre-registration, financial clearance and counseling
- Automation for authorization, eligibility, & medical necessity
- Pre-service price estimation based on contract model

Check-In

- Contactless arrival
- Enabled on smart-phone, tablet, or kiosk
- Dynamic pre-service forms and surveys

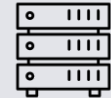
Patient Payments

- Seamless payment and billing experience across settings of care
- Intuitive payment options that drive highest yield
- Vertically integrated consumer payment capability

Platform Components



User Interface



Data Management



Rules Engine & Work Drivers



Analytics & Operating System

Personalized Communications and Financial Offers

Built from data science and patient preference, spanning the entire revenue cycle



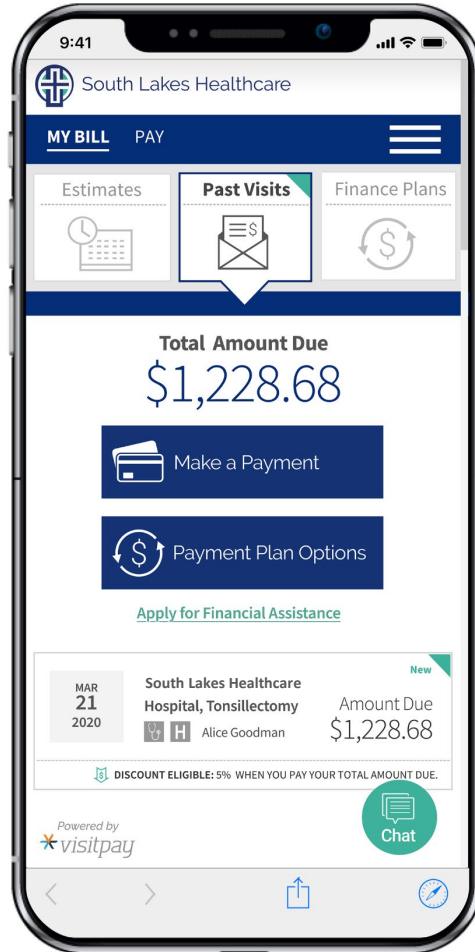
Omni-channel digital and paper communications sent on a consistent billing cadence



Frictionless payment options, including online, text-to-pay, staff-assisted, and IVR



Intelligent and tailored payment plan offers optimized to simultaneously drive both satisfaction and yield



Single solution from intake to back-end billing creates a unified experience for the patient and staff



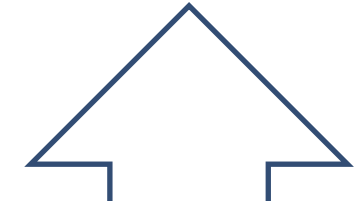
Consolidated household billing across all acute and ambulatory systems, with EOB displayed at visit level; HSA and other insurance information also presented



Enterprise-class customer service portal, including real-time support via chat

Delivering a Step Change

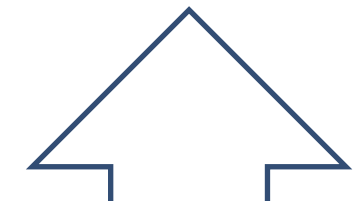
in Revenue Cycle Outcomes



Patient Loyalty & Retention

40+

Patient Net Promoter Score



Patient Payments

+35%

Patient Payment Yield

Enhances R1's Value Proposition

- Addresses providers' key pain points with proven track record of patient yield improvement
- Completes R1's PX platform by expanding into patient financial experience
- Establishes leading position in consumer payments

Advances Technology Roadmap

- Advances R1's capabilities and increases control of technology architecture
- Curates broad and deep payments data for AI-based optimization
- Contributes innovative culture and high-performing team

Significant Synergies

- Compelling opportunities from increased digital adoption and improved patient yield
- Potential for meaningful cross-sell into VisitPay customer base

Accretive to Growth

- Accelerates revenue and EBITDA growth trajectory through additional high margin SaaS offering

Patient Engagement and Referral Management

Current R1 Annual Stats

- Appts scheduled &/or registered (>60M patients annually)
- Utilization Reviews (90k+ annually)

Relevance for Taking Risk

- Preventive care metric compliance
- High-performance network development
- Site of service management

Clinical Documentation and Acuity Capture

- Physician Charts Coded (15M+ annually)
- CDI Case reviews (93k+ annually)
- P4P Members Under Management (100k+)

- Clinical quality data capture
- Risk-adjustment accuracy
- Health plan data reconciliation

Revenue Integrity and Payment Administration

- Scaled payments administration (\$41B+ NPR)
- Value-Based Payments Managed (\$1.7B)

- Revenue and member eligibility reconciliation
- Efficient and accurate claims administration

Well-positioned to enable providers to take risk

Highlights

Background:

- Replaced existing population health analytics vendor at provider already performing in top quartile for risk-adjustment capture rates and annual wellness visit

Actions:

- Implemented R1 Ambulatory CDI and R1 Patient Experience solutions
- Deployed vendor analytics with R1 workflow optimization

Impact:

- Increased HCC suspect & recapture by > 40%
- **Generated ~\$5M in incremental revenue for provider** (P4P bonuses and VBC contract adjustments)

100+ Physician Multi-Specialty Practice

Metric	Baseline	Results	% Change
1 HCC Recapture (Reported in Prior Year)	68%	98%	(+44%)
2 New HCC Capture (Suspect Conditions)	62%	89%	(+43%)
3 Annual Wellness Visit (Share of Members)	73%	86%	(+17%)
4 Unaddressed Gaps in Care (Share of Identified Gaps)	39%	18%	(-)54%

Meaningful improvements to an already high-performing medical group

Multiple Growth and Profit Drivers



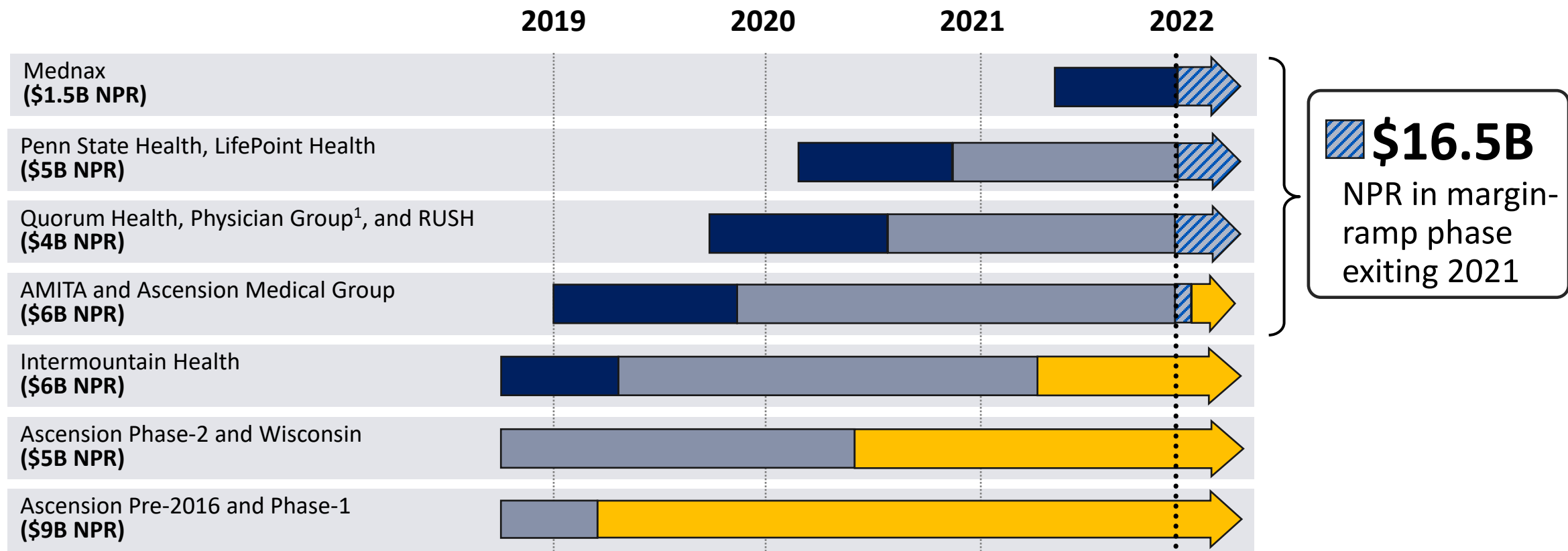
Onboard and optimize contracted business

Drive digitization and automation

Implement new commercial wins

Execute targeted M&A

Onboard and Optimize Contracted Wins



Midpoint of adjusted EBITDA contribution margin depending on contracting model:

Launch Phase
0-12 Months
-20% to -16%

Margin-ramp
12-36 Months
17% to 28%

Steady State Margin
36+ Months
30% to 45%

Mednax Enterprise Revenue Cycle Management Partnership



National Medical Group
Specializing in Prenatal, Neonatal
and Pediatric Services

\$1.5B
Net Patient Revenue

39
States + Puerto Rico

>2,300
Physicians

Relationship

- End-to-end Operating Partner relationship, won via a competitive process
- R1 will be the primary provider of enterprise revenue cycle management services for Mednax
- R1 technology to be deployed across Mednax Facilities to drive operational and financial performance
- Expands R1's presence in high-growth pediatric and obstetrics care specialties

Key R1 Differentiators



Performance



Standardization



Automation



Efficiency



Patient Experience

Opportunity to Convert New Commercial Wins to Comprehensive R1 Solution

2021 Commercial Focus Areas

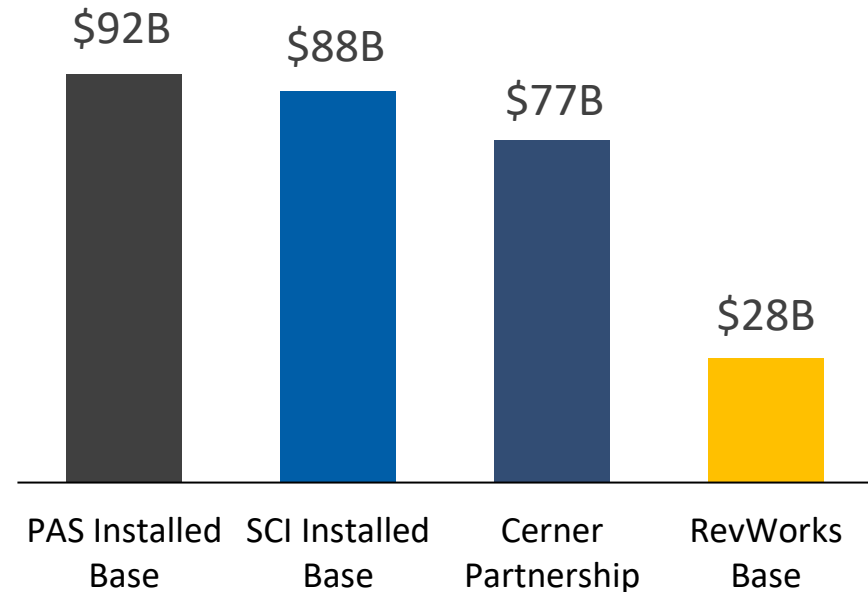
Continued Sales Execution to Convert End-to-End Pipeline

Aggressive Market Launch of PX Offering Following 2020 Commercial Wins

Cross Sell into Installed Base via Expanded Commercial Leadership Roles

Cross-Sell Opportunities with New Commercial Wins

Installed Base Not Utilizing Our Full Suite of Services:



Targeting 10-12% Growth in End-to-End NPR Under Management Over the Next 3-5 Years

Technology Innovation Drives Margin Expansion

Proven Levers...

Robotic Process Automation (RPA)

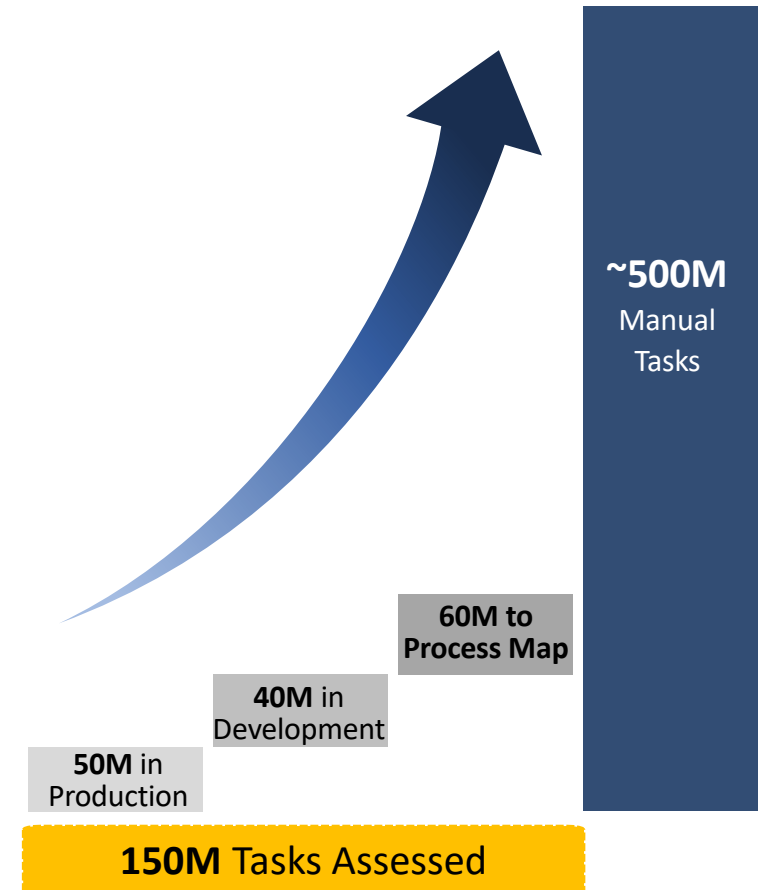
Patient Experience (PX) & Payments

Cognitive and Machine Learning (ML)






...Driving Significant EBITDA...

Transformation Measures	2020	2022E
Adjusted EBITDA Contribution	~\$20M	~\$40M
Tasks Automated	>30M	>60M
Machine Learning Models	4	>25
PX Locations Deployed	>300	>600
Digital Self-Service Tasks	>12M	>30M

...with Runway to Expand

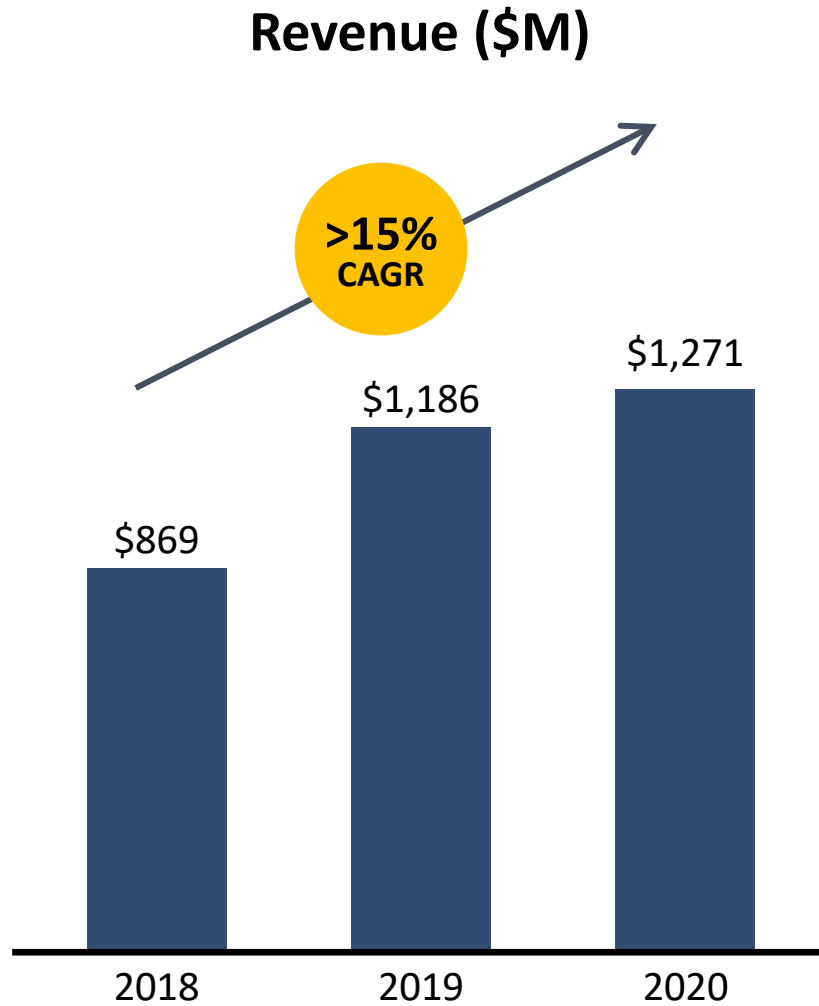


Target Strategic M&A with Significant Synergy Opportunity

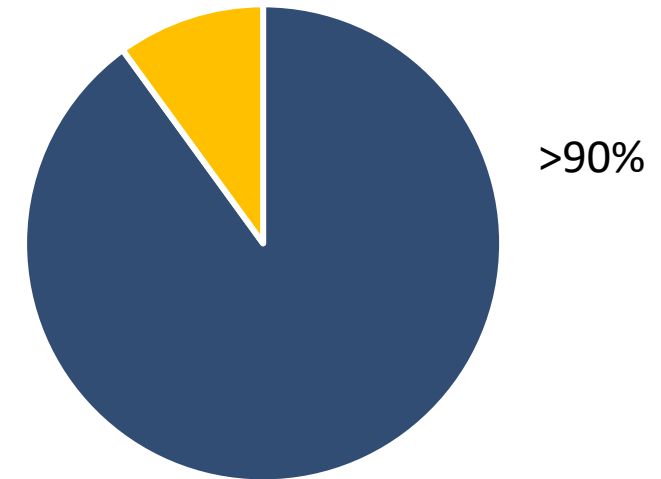
M&A History	Strategic Fit	Scaled Platform for Synergy Realization
 intermedix May 2018	Physician RCM	Opportunity for Outsized Synergies Within \$41B+ NPR
 and  tonic April 2020	Digitized Scheduling and Referral Management Patient Intake	
 Cerner RevWorks August 2020	Scale Consolidation / Partnership Channel	
 visitpay July 2021	Patient Payments	

M&A is a core competency and key to R1's growth strategy

Delivering High Revenue Growth and Visibility

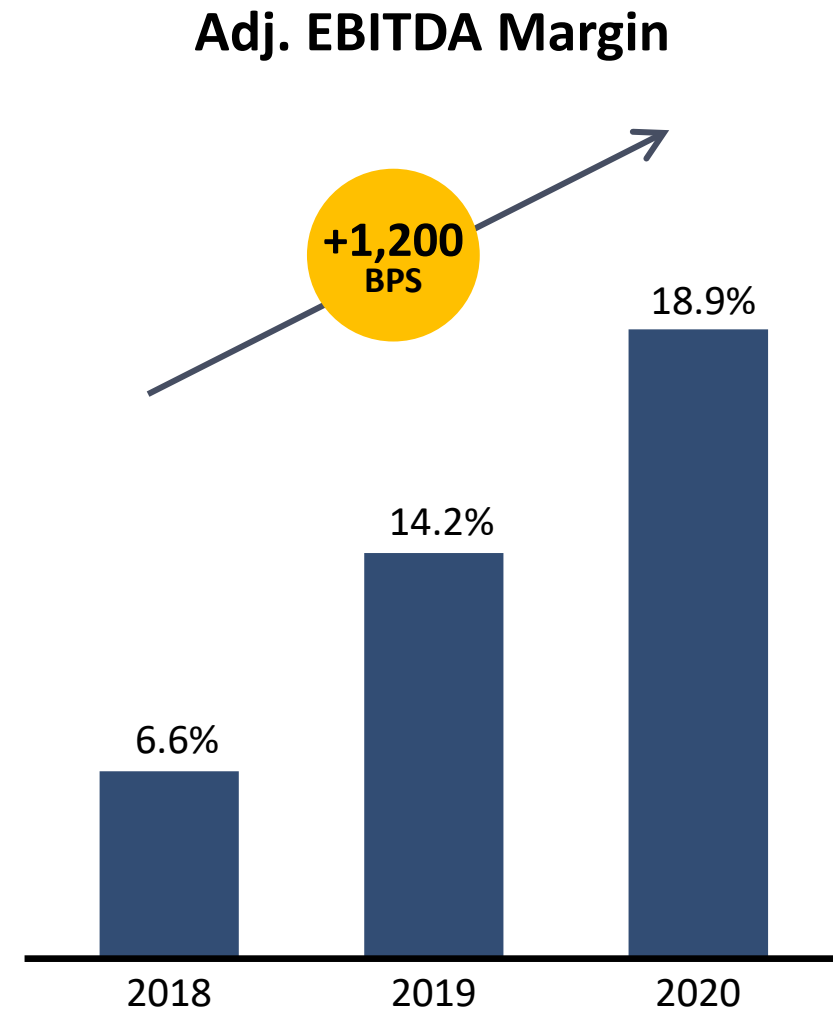
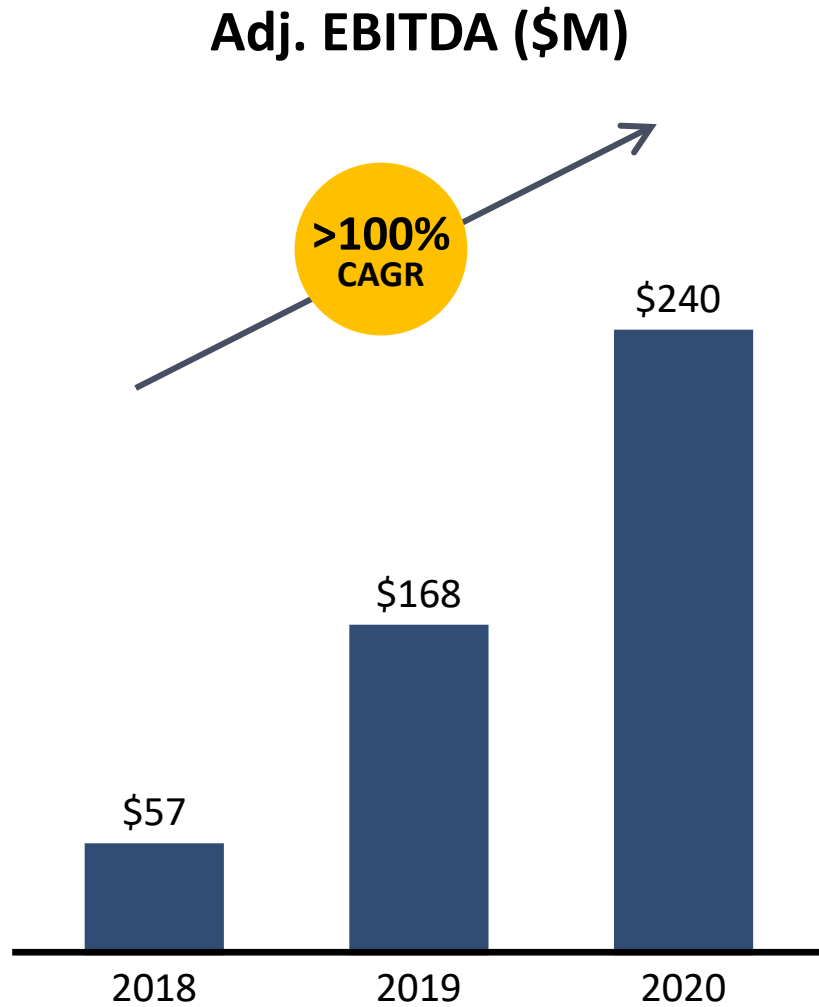


Recurring Revenue (%)



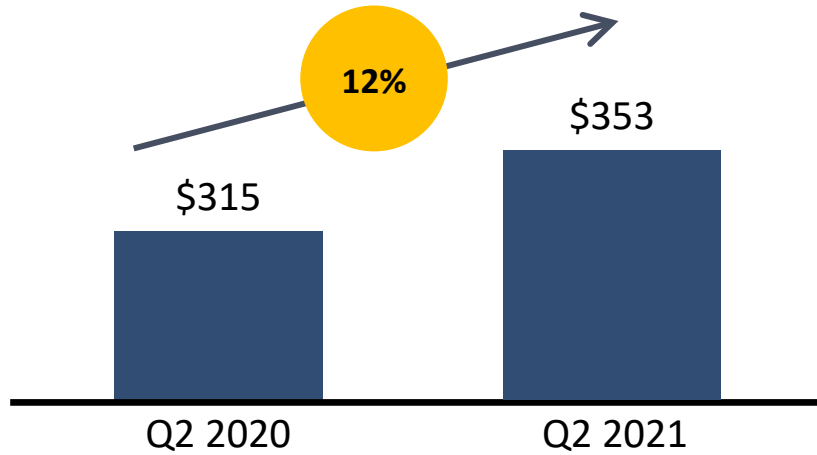
>90% Recurring Revenue with weighted average contract life of 9.0 years for end-to-end contracts¹

Track Record of EBITDA Growth and Margin Expansion

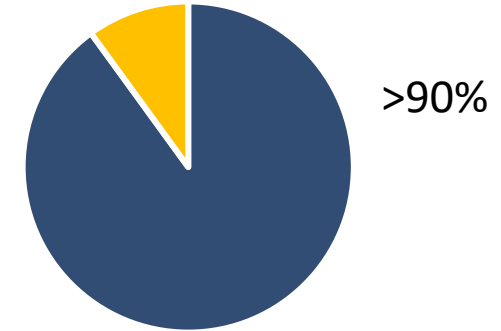


Strong Performance Continues into 2021

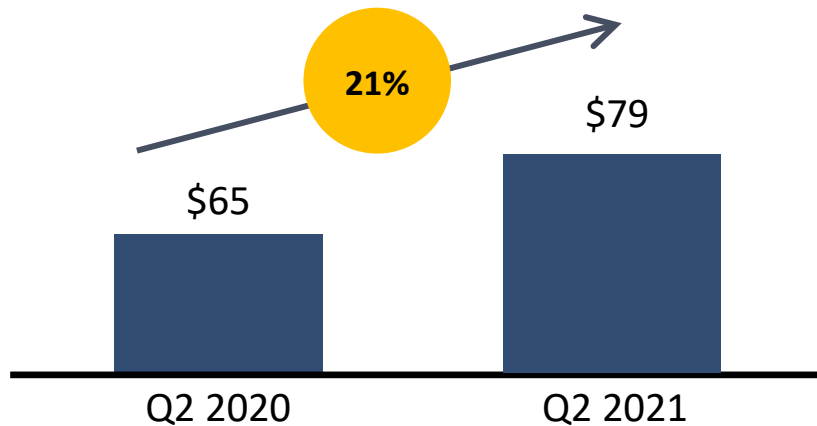
Revenue (\$M)



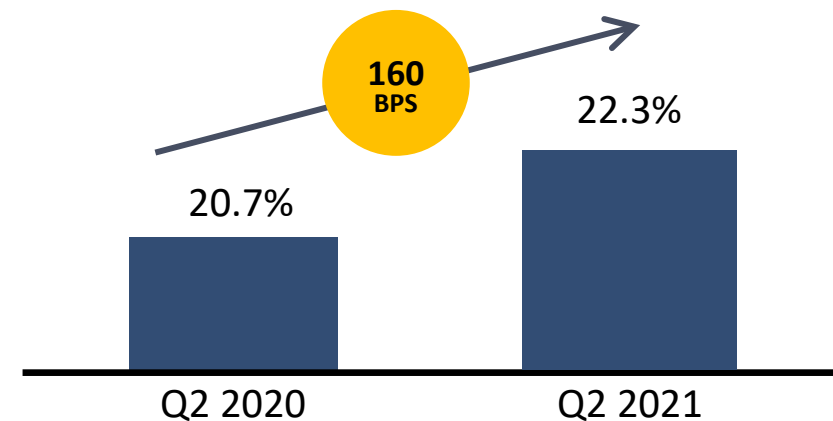
Recurring Revenue (%)



Adj. EBITDA (\$M)



Adj. EBITDA Margin



Technology Investment Driving Significant Margin Growth

Investment Corresponds to Significant Margin Growth

2020

Future Objectives¹

Technology

~10%

~20%

Labor and related

~62%

<45%

SG&A

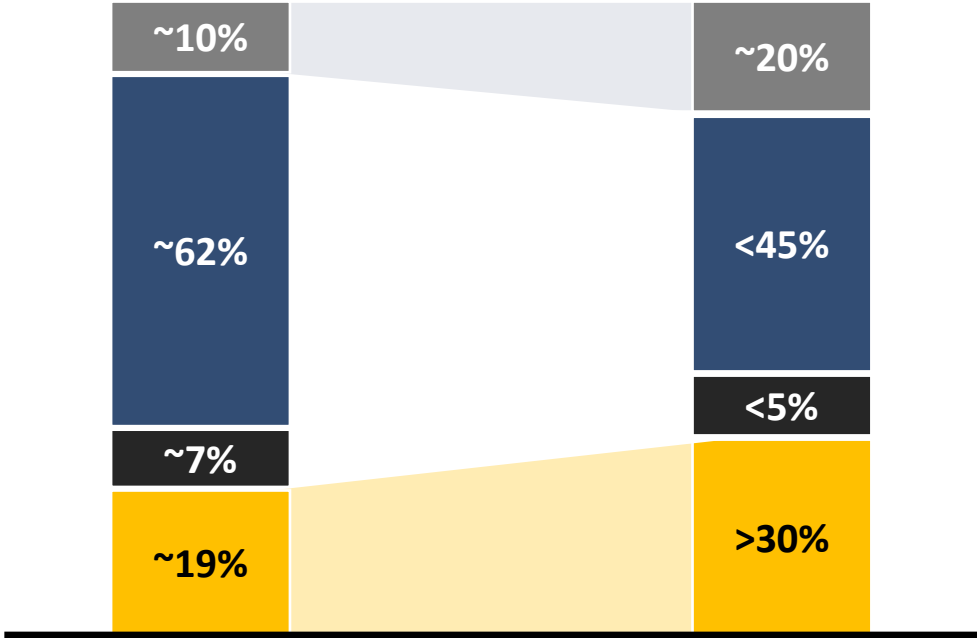
~7%

<5%

Adjusted EBITDA margin

~19%

>30%



Financial Outlook

\$M	2021	Medium-Term ² Objectives
Revenue ¹	1,460 – 1,480	Annual growth in end-to-end NPR under management: 10-12%
Operating Income	135 – 145	Annual adjusted EBITDA Growth: 12-15%
Adjusted EBITDA	330 – 340	Adjusted EBITDA Margin: ~25%

Note¹: 2021 guidance assumes patient volumes at 90-95% pre-COVID levels

Note²: Medium-term is defined as 3-5 years post-2021

Expect to add \$4B in new end-to-end NPR under management in 2021

Strong Balance Sheet and Streamlined Capital Structure

Strong Balance Sheet Position

- Refinanced senior credit facilities to improve pricing and flexibility

Net Debt¹: \$680M

LTM Adj. EBITDA: \$272M

Net Leverage¹: 2.5x

Optimized Capital Structure

- In January 2021, R1 executed an agreement to convert all of its Series A Convertible Preferred Stock into common stock
 - Enhanced alignment among shareholders
 - Improved cost of capital
 - Simplified capital structure
 - Improved share liquidity

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Flexible Contracts Have Embedded Growth and Margin Expansion

Engagement Type	Commentary	Illustrative Economics (\$M) ¹
Operating Partner	<ul style="list-style-type: none"> R1 manages end-to-end RCM capabilities Requires extensive infrastructure to execute Greatest Revenue opportunity, high growth potential (+22% CAGR) Highest EBITDA contribution 	<p>Revenue EBITDA²</p> <p>70-80 120-150 35-45</p> <p>Year 1 Year 4</p> <p>EBITDA margin³ (12) ~16% ~30%</p>
		<p>Revenue EBITDA²</p> <p>5-15 30-50 15-20</p> <p>Year 1 Year 4</p> <p>EBITDA margin³ (2) ~20% ~44%</p>
Co-Managed	<ul style="list-style-type: none"> R1 and client team manage end-to-end RCM capabilities together Less extensive infrastructure on relative basis Greatest Revenue growth potential (+59% CAGR) Highest EBITDA margin expansion potential 	<p>Revenue EBITDA²</p> <p>10-20 10-20 3-12 3-12</p> <p>Year 1 Year 4</p> <p>EBITDA margin³ ~50% ~50%</p>
		<p>Revenue EBITDA²</p> <p>10-20 10-20 3-12 3-12</p> <p>Year 1 Year 4</p> <p>EBITDA margin³ ~50% ~50%</p>
Modular	<ul style="list-style-type: none"> R1 provides a la carte solutions for RCM and patient engagement Requires least amount of initial investment EBITDA positive Year 1 Highest EBITDA margin opportunity 	<p>Revenue EBITDA²</p> <p>10-20 10-20 3-12 3-12</p> <p>Year 1 Year 4</p> <p>EBITDA margin³ ~50% ~50%</p>

Various engagement models provide optionality for clients

Financial Model for Operating Partner Model

Illustrative Contribution from \$3B NPR Customer

Launch

0-12 Months

- Deploy transition resources
- Perform financial assessment
- Invest in infrastructure
- Implement technology

Financial Impact – \$M	Mid-Point of Range
Revenue	75
Adj. EBITDA contribution	(12)
Adj. EBITDA contribution %	(16%)

Growth

12-36 Months

- Finalize employee transitions
- Transfers to Shared Services
- Complete standardization
- Steady state org structure

Financial Impact – \$M	Mid-Point of Range
Revenue	120
Adj. EBITDA contribution	20
Adj. EBITDA contribution %	17%

Steady State

36+ Months

- Continuous optimization:
 - KPI metric improvement
 - Technology advancement
 - Productivity improvement

Financial Impact – \$M	Mid-Point of Range
Revenue	135
Adj. EBITDA contribution	40
Adj. EBITDA contribution %	30%

Financial Model for Co-Managed Partner Model

Illustrative Contribution from \$3B NPR Customer

Launch

0-12 Months

- Deploy transition resources
- Perform financial assessment
- Invest in infrastructure
- Implement technology

Financial Impact – \$M	Mid-Point of Range
Revenue	10
Adj. EBITDA contribution	(2)
Adj. EBITDA contribution %	(20%)

Growth

12-36 Months

- Complete standardization
- Workflow optimization
- Rationalize third-party vendors

Financial Impact – \$M	Mid-Point of Range
Revenue	25
Adj. EBITDA contribution	7
Adj. EBITDA contribution %	28%

Steady State

36+ Months

- Continuous optimization:
 - KPI metric improvement
 - Technology advancement
 - Productivity improvement

Financial Impact – \$M	Mid-Point of Range
Revenue	40
Adj. EBITDA contribution	18
Adj. EBITDA contribution %	45%

Capital Structure

Data as of July 1, 2021

Cash

~\$140 million in cash and cash equivalents

Debt

\$820 million

Common
Shares

~322 million fully diluted common shares consisting of:

- 279 million basic common shares, plus
- Dilutive effect of:
 - Employee stock awards
 - Ascension/TowerBrook warrant to purchase 20.9 million common shares at \$3.50 per share
 - Intermountain Healthcare warrant to purchase 1.5 million common shares at \$6.00 per share

Use of Non-GAAP Financial Measures

- In order to provide a more comprehensive understanding of the information used by R1's management team in financial and operational decision making, the Company supplements its GAAP consolidated financial statements with certain non-GAAP financial performance measures, including adjusted EBITDA. Adjusted EBITDA is defined as GAAP net income before net interest income/expense, income tax provision/benefit, depreciation and amortization expense, share-based compensation expense, expense arising from debt extinguishment, strategic initiatives costs, transitioned employee restructuring expense, and certain other items.
- Our board of directors and management team use adjusted EBITDA as (i) one of the primary methods for planning and forecasting overall expectations and for evaluating actual results against such expectations and (ii) a performance evaluation metric in determining achievement of certain executive incentive compensation programs, as well as for incentive compensation programs for employees.
- A reconciliation of GAAP net income to Adjusted EBITDA and GAAP operating income guidance to non-GAAP adjusted EBITDA guidance is provided below. Adjusted EBITDA should be considered in addition to, but not as a substitute for, the information presented in accordance with GAAP.

Reconciliation of GAAP Operating Income Guidance to Non-GAAP Adjusted EBITDA Guidance

\$ in millions

	<u>2021</u>
GAAP Operating Income Guidance	\$135-145
Plus:	
Depreciation and amortization expense	\$75-85
Share-based compensation expense	\$75-85
Strategic initiatives, severance and other costs	\$40-50
Adjusted EBITDA Guidance	<u>\$330-340</u>

Reconciliation of GAAP Net Income to Adjusted EBITDA

\$ in millions

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Net Income	(45.3)	12.0	117.1
Net interest expense	26.3	29.1	17.3
Income tax provision (benefit)	(11.4)	(2.2)	1.3
D&A expense	38.8	55.7	68.7
Share-based compensation expense	18.2	18.4	24.0
Gain on business disposition			(55.7)
Loss on debt extinguishment		18.8	
Other ¹	30.4	36.2	67.3
Adjusted EBITDA	<u>\$57.0</u>	<u>\$168.0</u>	<u>\$240.0</u>