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of ContentsUNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549FORMÂ 10-Q(MARK ONE)xQUARTERLY REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934For the quarter ended SeptemberÂ 30, 2024oTRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period fromÂ toCommission file number:Â 001-39228MULTIPLAN CORPORATION(Exact Name of Registrant as Specified in Its Charter)Delaware84-3536151(State or other jurisdiction ofincorporation or organization)(I.R.S. EmployerIdentification No.)115 Fifth AvenueNew York, NY 10003(Address of principal executive offices)(212) 780-2000(Issuerâ€™s telephone number)Securities registered pursuant to SectionÂ 12(b)Â of the Act:Title of each classTradingSymbolName of each exchange on which registeredShares of ClassÂ A common stock, $0.0001 par value per shareMPLNNew York Stock ExchangeIndicate by check mark whether the registrant (1)Â filed all reports required to be filed by SectionÂ 13 or 15(d)Â of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2)Â has been subject to such filing requirements for the past 90 days. YesÂ Â Â xÂ Â NoÂ Â Â oIndicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to RuleÂ 405 of Regulation S-T (Â§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YesÂ Â Â xÂ Â NoÂ Â Â oIndicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of â€œlarge accelerated filerâ€, â€œaccelerated filerâ€, â€œsmaller reporting companyâ€, and â€œemerging growth companyâ€ in RuleÂ 12b-2 of the Exchange Act.Large accelerated filerxAccelerated fileroNon-accelerated fileroSmaller reporting companyoEmerging growth companyoIf an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to SectionÂ 13(a)Â of the Exchange Act.Â Â oIndicate by check mark whether the registrant is a shell company (as defined in RuleÂ 12b-2 of the Exchange Act). YesÂ Â Â Â NoÂ Â As of OctoberÂ 28, 2024, 16,171,197 shares of ClassÂ A common stock, par value $0.0001 per share, were issued and outstanding.Table of ContentsTABLE OF CONTENTSPagesGlossary3PartÂ I. Financial InformationItem 1. 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Exhibits44Signature452Table of ContentsGLOSSARYUnless otherwise stated in this Quarterly Report on Form 10-Q (this "Quarterly Report") or the context otherwise requires, references to:"2023 Annual Report" are to our Annual Report on Form 10-K for the fiscal year ended December 31, 2023;"2020 Omnibus Incentive Plan" are to our 2020 Omnibus Incentive Plan, as it may be amended and/or restated from time to time;"5.50% Senior Secured Notes" are to the $1,050,000,000 in aggregate principal amount of 5.50% Senior Secured Notes due 2028 issued by MPH;"5.750% Notes" are to the $1,300,000,000 in aggregate principal amount of 5.750% Senior Notes due 2028 issued by MPH;"Adjusted EPS" are to adjusted earnings per share;"ASU" are to Accounting Standard Update;"Board" are to the board of directors of the Company;"BST" are to Benefits Science LLC;"Cash Interest" are to interest paid in cash on the Senior Convertible PIK Notes;"Churchill" are to Churchill Capital Corp III, a Delaware corporation, which changed its name to MultiPlan Corporation following the consummation of the Transactions;"Churchill IPO" are to the initial public offering by Churchill which closed on February 19, 2020; "Churchill's Class A common stock" are, prior to consummation of the Transactions, to Churchill's Class A common stock, par value $0.0001 per share and, following consummation of the Transactions, to our Class A common stock, par value $0.0001 per share;"Class A common stock" are to MultiPlan's Class A common stock, par value $0.0001 per share; "Closing" are to the consummation of the Mergers;"Closing Date" are to October 8, 2020, the date on which the Transactions were consummated;"Common PIPE Investment" are to the private placement pursuant to which Churchill entered into subscription agreements with certain investors whereby such investors subscribed for (a) 3,250,000 shares of Churchill's Class A common Stock at a purchase price of $400.00 per share for an aggregate commitment of $1,300,000,000 and (b) warrants to purchase 162,500 shares of Churchill's Class A Common Stock (for each share of Churchill's Class A common stock subscribed, the investor received 1/20th of a warrant to purchase one share of Churchill's Class A common stock, with each whole warrant having a strike price of $500.00 per share and a maturity date of October 8, 2025). The Common PIPE Investment was subject to an original issue discount (which was paid in additional shares of Churchill's Class A common stock) of 1% for subscriptions of $250,000,000 or less and 2.5% for subscriptions of more than $250,000,000, which resulted in an additional 51,250 shares of Churchill's Class A common stock being issued. The Common PIPE Investment was consummated on the Closing Date;"common stock" are, prior to the consummation of the Transactions, to Churchill's Class A common stock and Churchill's Class B common stock and, following consummation of the Transactions, to the Company's Class A common stock;"Company" are, prior to the consummation of the Transactions, to Churchill and, following consummation of the Transactions, to MultiPlan Corporation;3Table of Contents"Convertible PIPE Investment" are to the private placement pursuant to which the Company entered into subscription agreements with certain investors whereby such Convertible PIPE Investors agreed to buy $1,300,000,000 in aggregate principal amount of Senior Convertible PIK Notes. The Convertible PIPE Investment was consummated on the Closing Date;"Convertible PIPE Investors" are to the investors participating in the Convertible PIPE Investment; "DHP" are to Discovery Health Partners;"Exchange Act" are to the Securities Exchange Act of 1934, as amended; "FASB" are to the Financial Accounting Standards Board;"First Merger Sub" are to Music Merger Sub I, Inc., a Delaware corporation and direct, wholly owned subsidiary of the Company;"founder shares" are to shares of Churchill's Class B common stock and Churchill's Class A common stock issued upon the automatic conversion thereof in connection with the Closing;"GAAP" are to generally accepted accounting principles in United States of America;"Holdings" are to Polaris Investment Holdings, L.P.;"HST" are to HSTechnology Solutions, Inc.;"IDR" are to independent dispute resolution; "Integration expenses" are costs associated with the integration of acquired companies into MultiPlan;"Merger Agreement" are to that certain Agreement and Plan of Merger, dated as of July 12, 2020, by and among Churchill, MultiPlan Parent, Holdings, First Merger Sub and Second Merger Sub, as the same has been or may be amended, modified, supplemented or waived from time to time;"Mergers" are to, together, (a) the merger of First Merger Sub with and into MultiPlan Parent with MultiPlan Parent being the surviving company in the merger (the "First Merger") and (b) immediately following and as part of the same transaction as the First Merger, the merger of MultiPlan Parent with and into Second Merger Sub, with Second Merger Sub surviving the merger as a wholly owned subsidiary of Churchill (the "Second Merger");"MPH" are to MPH Acquisition Holdings LLC;"MultiPlan" are MultiPlan Corporation and its consolidated subsidiaries;"MultiPlan Parent" are to Polaris Parent Corp., a Delaware corporation;"non-income taxes" includes personal property taxes, real estate taxes, sales and use taxes and franchise taxes which are included in costs of services and general and administrative expenses;"other 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; "Payors" are our customers and potential customers, which include large national insurance companies, Blue Cross and Blue Shield plans, provider-sponsored and independent health plans, third party administrators, bill review companies, Taft-Hartley plans, self-insured employers, federal and state government sponsored health plans and other entities that pay medical bills related to the commercial healthcare, government, workers' compensation and auto medical markets;"PSAV" are to percentage of savings;"PEPM" are to per-employee-per-month;4Table of Contents"PIK Interest" are to interest paid through an increase in the principal amount of the outstanding Senior Convertible PIK Notes or through the issuance of additional Senior Convertible PIK Notes;"PIPE Warrants" are to the warrants to purchase Churchill's Class A common stock issued in connection with the Common PIPE Investment, on terms identical to the terms of the Private Placement Warrants, other than the exercise period that started on November 7, 2020, the exercise price which is $500.00 per share and the redemption feature that exists for all holders of the PIPE warrants;"Private Placement Warrants" are to warrants issued to the Sponsor in a private placement simultaneously with the closing of the Churchill IPO and the Working Capital Warrants whose terms are identical to the Private Placement Warrants;"Public Warrants" are to the Company's warrants sold as part of the units in the Churchill IPO (whether they were purchased in the Churchill IPO or thereafter in the open market);"Reverse Stock Split" are to the 1-for-40 reverse stock split of the Common Stock effected on September 20, 2024. As a result of the Reverse Stock Split, every forty (40) shares of common stock either issued and outstanding or held as treasury stock were combined into one new share of common stock. The par value of new shares remained the same at $0.0001 per share."Revolver B" are to the revolving credit facility in conjunction with Term Loan B and maturing on August 24, 2026;"revolving credit facility" are to MPH's $450.0 million senior secured revolving credit facility;"SEC" are to the United States Securities and Exchange Commission; "Second Merger Sub" are to Music Merger Sub II, LLC, a Delaware limited liability company and direct, wholly owned subsidiary of the Company;"Senior Convertible PIK Notes" are the 6.00% / 7.00% Convertible Senior PIK Toggle Notes due 2027;"senior secured credit facilities" are to MPH's senior secured credit facilities which consist of (a) a $1,325.0 million term loan facility maturing on September 1, 2028 and (b) a $450.0 million revolving credit facility maturing on August 24, 2026;"Sponsor" are to Churchill Sponsor III, LLC, a Delaware limited liability company and an affiliate of M. Klein and Company, LLC, a Delaware limited liability company, and its affiliates, in which certain of Churchill's directors and officers hold membership interests;"Sponsor Note" are to the unsecured promissory note issued by the Company to the Sponsor in an aggregate principal amount of $1,500,000. The Sponsor converted the unpaid balance of the Sponsor Note into Working Capital Warrants in connection with the Closing;"Term Loan B" are to a term loan payable borrowed on August 24, 2021 in the amount of $1,325.0 million with a group of lenders due and payable on September 1, 2028;"Term SOFR" are to the Secured Overnight Financing Rate; "Transactions" are to the Mergers, together with the other transactions contemplated by the Merger Agreement and the related agreements;"Transaction-related expenses" represents transaction costs, including those related to the Transactions and litigation related thereto as well as those related to any other acquisitions, whether consummated or not;"Unvested Founder Shares" represents 310,102 of the Sponsor founder shares that were unvested as of October 8, 2020 in connection with the Merger Agreement and will re-vest at such time as, during the period starting on October 8, 2021 and ending on October 8, 2025, the closing price of our Class A common stock exceeds $500.00 per share for any forty (40) trading days in a sixty (60) consecutive day period. Such founder shares that do not re-vest on or before October 8, 2025 will be forfeited and cancelled;5Table of Contents"warrants" are to the Public Warrants, the Private Placement Warrants, the PIPE Warrants and the Working Capital Warrants;"we," "our" or "us" are to MultiPlan and its consolidated subsidiaries; and"Working Capital Warrants" are to the warrants to purchase Churchill's Class A common stock pursuant to the terms of the Sponsor Note, on terms identical to the terms of the Private Placement Warrants.6PartÂ I. Financial InformationItem 1. Financial StatementsMULTIPLAN CORPORATIONUnaudited Condensed Consolidated Balance Sheets(in thousands, except share and per share data)September 30,2024December 31,2023AssetsCurrent assets:Cash and cash equivalents$86,598Â $71,547Â Restricted cash10,570Â 9,947Â Trade accounts receivable, net82,132Â 76,558Â Unbilled IDR fees, net13,975Â 8,197Â Prepaid expenses16,536Â 23,432Â Prepaid taxesâ€”Â 1,364Â Other current assets, net1,719Â 2,548Â Total current assets211,530Â 193,593Â Property and equipment, net292,870Â 267,429Â Operating lease right-of-use assets13,572Â 19,680Â Goodwill2,403,140Â 3,829,002Â Other intangibles, net2,366,794Â 2,633,207Â Other assets, net31,298Â 21,776Â Total assets$5,319,204Â $6,964,687Â Liabilities and Shareholdersâ€™ EquityCurrent liabilities:Accounts payable$22,547Â $19,590Â Accrued interest74,314Â 56,827Â Accrued taxes8,123Â â€”Â Operating lease obligation, short-term4,585Â 4,792Â Current portion of long-term debt13,250Â 13,250Â Accrued compensation33,624Â 44,720Â Accrued legal contingencies23,123Â 12,123Â Other accrued expenses21,931Â 15,437Â Total current liabilities201,497Â 166,739Â Long-term debt4,510,245Â 4,532,733Â Operating lease obligation, long-term9,716Â 17,124Â Private Placement Warrants and Unvested Founder Shares1Â 477Â Deferred income taxes378,508Â 521,707Â Other liabilities11,675Â 16,783Â Total liabilities5,111,642Â 5,255,563Â Commitments and contingencies (Note 8)Shareholdersâ€™ equity:Shareholder interestsPreferred stock, $0.0001 par value â€” 10,000,000 shares authorized; no shares issuedâ€”Â â€”Â Common stock, $0.0001 par value â€” 1,500,000,000 shares authorized; 16,914,056 and 16,695,207 issued; 16,171,197 and 16,207,984 shares outstanding(1)2Â 2Â Additional paid-in capital(1)2,365,928Â 2,348,570Â Accumulated other comprehensive loss(12,462)(11,778)Retained deficit(2,007,173)(499,307)Treasury stock â€” 742,859 and 487,223 shares(1)(138,733)(128,363)Total shareholdersâ€™ equity207,562Â 1,709,124Â Total liabilities and shareholdersâ€™ equity$5,319,204Â $6,964,687Â (1)Shares, common stock and additional paid-in capital 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. See Note 1 General Information and Basis of Accounting.The accompanying notes are an integral part of these unaudited condensed consolidated financial statements7Table of ContentsMULTIPLAN CORPORATIONUnaudited Condensed Consolidated Statements of Loss and Comprehensive Loss(in thousands, except share and per share data)Three Months Ended September 30,Nine Months Ended September 30,2024202320242023Revenues$230,495Â $242,804Â $698,479Â $717,389Â Costs of services (exclusive of depreciation and amortization of intangible assets shown below)60,825Â 60,949Â 182,271Â 174,806Â General and administrative expenses37,725Â 36,779Â 107,133Â 107,996Â Depreciation22,572Â 19,586Â 65,372Â 56,693Â Amortization of intangible assets85,971Â 85,971Â 257,913Â 256,724Â Loss on impairment of goodwill and intangible assets361,612Â â€”Â 1,434,363Â â€”Â Total expenses568,705Â 203,285Â 2,047,052Â 596,219Â Operating (loss) income(338,210)39,519Â (1,348,573)121,170Â Interest expense81,792Â 84,300Â 245,119Â 250,203Â Interest income(1,245)(1,505)(2,722)(7,110)Gain on extinguishment of debt â€”Â (10,129)(5,913)(46,907)(Gain) loss on change in fair value of Private Placement Warrants and Unvested Founder Shares(87)(2,127)(476)267Â Net loss before taxes (418,670)(31,020)(1,584,581)(75,283)Benefit for income taxes (27,220)(6,875)(76,715)(14,977)Net loss $(391,450)$(24,145)$(1,507,866)$(60,306)Weighted average shares outstanding â€“ Basic(1)16,143,520Â 16,161,095Â 16,139,523Â 16,096,395Â Weighted average shares outstanding â€“ Diluted(1)16,143,520Â 16,161,095Â 16,139,523Â 16,096,395Â Net loss per share â€“ Basic(1) (24.25)(1.49)(93.43)(3.75)Net loss per share â€“ Diluted(1)(24.25)(1.49)(93.43)(3.75)Net loss (391,450)(24,145)(1,507,866)(60,306)Other comprehensive income: Change in unrealized gains (losses) on interest rate swaps, net of tax(11,341)382Â (684)382Â Comprehensive loss $(402,791)$(23,763)$(1,508,550)$(59,924)(1)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. See Note 1 General Information and Basis of Accounting.The accompanying notes are an integral part of these unaudited condensed consolidated financial statements8Table of ContentsMULTIPLAN CORPORATIONUnaudited Condensed Consolidated Statements of Shareholders' Equity(in thousands, except share data)Three Months Ended September 30, 2024Common Stock Issued(1)Additional Paid-in Capital(1)Accumulated Other Comprehensive LossRetainedDeficitTreasury stock(1)TotalShareholdersâ€™EquitySharesAmountSharesAmountBalance at beginning of period16,885,954Â $2Â $2,358,939Â $(1,121)$(1,615,723)(742,859)$(138,733)$603,364Â Stock Incentive Plans1,742Â â€”Â 6,788Â â€”Â â€”Â â€”Â â€”Â 6,788Â Loss arising during the period on Interest rate swapsâ€”Â â€”Â â€”Â (12,686)â€”Â â€”Â â€”Â (12,686)Reclassification adjustments for gains included in net loss (interest expense)â€”Â â€”Â â€”Â 1,345Â â€”Â â€”Â â€”Â 1,345Â Issuance of common stock in connection with employee stock purchase plan26,360Â â€”Â 201Â â€”Â â€”Â â€”Â â€”Â 201Â Net lossâ€”Â â€”Â â€”Â â€”Â (391,450)â€”Â â€”Â (391,450)Balance at end of period16,914,056Â $2Â $2,365,928Â $(12,462)$(2,007,173)(742,859)$(138,733)$207,562Â (1)Shares, common stock and additional paid-in capital 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. See Note 1 General Information and Basis of Accounting.Three Months Ended September 30, 2023Common Stock Issued(1)Additional Paid-in Capital(1)Accumulated Other Comprehensive LossRetainedDeficitTreasury stock(1)TotalShareholdersâ€™EquitySharesAmountSharesAmountBalance at beginning of period16,684,531Â $2Â $2,338,574Â $â€”Â $(443,771)(447,512)$(126,285)$1,768,520Â Stock Incentive Plans137Â â€”Â 4,835Â â€”Â â€”Â â€”Â â€”Â 4,835Â Tax withholding related to vesting of equity awardsâ€”Â â€”Â (4)â€”Â â€”Â â€”Â â€”Â (4)Gains arising during the period on Interest rate swapsâ€”Â â€”Â â€”Â 936Â â€”Â â€”Â â€”Â 936Â Reclassification adjustments for gains included in net loss (interest expense)(554)$(554)Net lossâ€”Â â€”Â â€”Â â€”Â (24,145)â€”Â â€”Â (24,145)Balance at end of period16,684,668Â $2Â $2,343,405Â $382Â $(467,916)(447,512)$(126,285)$1,749,588Â (1)Shares, common stock and additional paid-in capital 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. See Note 1 General Information and Basis of Accounting. 9Table of ContentsMULTIPLAN CORPORATIONUnaudited Condensed Consolidated Statements of Shareholders' Equity(in thousands, except share data)Nine Months Ended September 30, 2024Common Stock Issued(1)Additional Paid-in Capital(1)Accumulated Other Comprehensive LossRetainedDeficitTreasury stock(1)TotalShareholdersâ€™EquitySharesAmountSharesAmountBalance at beginning of period16,695,207Â $2Â $2,348,570Â $(11,778)$(499,307)(487,223)$(128,363)$1,709,124Â Stock Incentive Plans155,564Â â€”Â 19,673Â â€”Â â€”Â â€”Â â€”Â 19,673Â Tax withholding related to vesting of equity awardsâ€”Â â€”Â (3,355)â€”Â â€”Â â€”Â â€”Â (3,355)Loss arising during the period on Interest rate swapsâ€”Â â€”Â â€”Â (5,130)â€”Â â€”Â â€”Â (5,130)Reclassification adjustments for gains included in net loss (interest expense)â€”Â â€”Â â€”Â 4,446Â â€”Â â€”Â â€”Â 4,446Â Repurchase of common stockâ€”Â â€”Â â€”Â â€”Â â€”Â (255,636)(10,370)(10,370)Issuance of common stock in connection with employee stock purchase plan63,285Â â€”Â 1,040Â â€”Â â€”Â â€”Â â€”Â 1,040Â Net lossâ€”Â â€”Â â€”Â â€”Â (1,507,866)â€”Â â€”Â (1,507,866)Balance at end of period16,914,056Â $2Â $2,365,928Â $(12,462)$(2,007,173)(742,859)$(138,733)$207,562Â (1)Shares, common stock and additional paid-in capital 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. See Note 1 General Information and Basis of Accounting.Nine Months Ended September 30, 2023Common Stock Issued(1)Additional Paid-in Capital(1)Accumulated Other Comprehensive LossRetainedDeficitTreasury stock(1)TotalShareholdersâ€™EquitySharesAmountSharesAmountBalance at beginning of period16,657,259Â $2Â $2,330,509Â $â€”Â $(347,800)(677,935)$(192,169)$1,790,542Â Stock Incentive Plans27,409Â â€”Â 13,357Â â€”Â â€”Â â€”Â â€”Â 13,357Â Tax withholding related to vesting of equity awardsâ€”Â â€”Â (461)â€”Â â€”Â â€”Â â€”Â (461)Stock consideration paid for BST acquisitionâ€”Â â€”Â â€”Â â€”Â $(59,810)539,716Â 79,024Â 19,214Â Gains arising during the period on Interest rate swapsâ€”Â â€”Â â€”Â 936Â â€”Â â€”Â â€”Â 936Â Reclassification adjustments for gains included in net income (interest expense)â€”Â â€”Â â€”Â (554)â€”Â â€”Â â€”Â (554)Repurchase of common stockâ€”Â â€”Â â€”Â â€”Â â€”Â (309,293)(13,140)(13,140)Net lossâ€”Â â€”Â â€”Â â€”Â (60,306)â€”Â â€”Â (60,306)Balance at end of period16,684,668Â $2Â $2,343,405Â $382Â $(467,916)(447,512)$(126,285)$1,749,588Â (1)Shares, common stock and additional paid-in capital 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. See Note 1 General Information and Basis of Accounting.The accompanying notes are an integral part of these unaudited condensed consolidated financial statements10Table of ContentsMULTIPLAN CORPORATIONUnaudited Condensed Consolidated Statements of Cash Flows(in thousands)Nine Months Ended September 30,20242023Operating activities:Net loss $(1,507,866)$(60,306)Adjustments to reconcile net income to net cash provided by operating activities:Depreciation65,372Â 56,693Â Amortization of intangible assets257,913Â 256,724Â Amortization of the right-of-use asset3,377Â 4,329Â Loss on impairment of goodwill and intangible assets1,434,363Â â€”Â Stock-based compensation19,829Â 13,357Â Deferred income taxes(142,999)(87,278)Amortization of debt issuance costs and discounts8,788Â 7,967Â Gain on extinguishment of debt (5,913)(46,907)Loss on disposal of property and equipment155Â 452Â (Gain) loss on change in fair value of Private Placement Warrants and Unvested Founder Shares(476)267Â Changes in assets and liabilities:Accounts receivable, net(5,574)11,621Â Prepaid expenses and other assets(9,466)(759)Prepaid taxes1,364Â (5,224)Operating lease obligation(4,884)(5,041)Accounts payable, accrued interest, accrued taxes, accrued expenses, legal contingencies and other27,046Â (1,877)Net cash provided by operating activities141,029Â 144,018Â Investing activities:Purchases of property and equipment(87,689)(77,509)BST Acquisition, net of cash acquiredâ€”Â (140,940)Net cash used in investing activities(87,689)(218,449)Financing activities:Repurchase of 5.750% Notesâ€”Â (134,975)Repayments of Term Loan B(9,938)(9,938)Repurchase of Senior Convertible PIK Notes(14,886)â€”Â Taxes paid on settlement of vested share awards(3,355)(461)Purchase of treasury stock(10,370)(13,140)Proceeds from issuance of common stock under Employee Stock Purchase Plan883Â â€”Â Net cash used in financing activities(37,666)(158,514)Net increase (decrease) in cash, cash equivalents and restricted cash15,674Â (232,945)Cash, cash equivalents and restricted cash at beginning of period81,494Â 340,559Â Cash, cash equivalents and restricted cash at end of period$97,168Â $107,614Â Cash and cash equivalents$86,598Â $101,320Â Restricted cash10,570Â 6,294Â Cash, cash equivalents and restricted cash at end of period$97,168Â $107,614Â Noncash investing and financing activities:Purchases of property and equipment not yet paid$11,928Â $7,319Â Supplemental disclosure of cash flow information:Cash paid during the period for:Interest$(218,590)$(223,640)Income taxes, net of refunds$(57,860)$(78,582)The accompanying notes are an integral part of these unaudited condensed consolidated financial statements11Table of Contents1.General Information and Basis of AccountingGeneral InformationWe are a leading provider of data-driven cost management solutions that deliver transparency and promote fairness, quality and affordability to the U.S. healthcare industry. Through our proprietary data and technology platform, we provide out-of-network cost management, payment and revenue integrity, data and decision science, business-to-business healthcare payments and other services to the payors of healthcare, which are primarily health insurers and their administrative-services-only platforms, self-insured employers, federal and state government-sponsored health plans (collectively "Payors") and other health plan sponsors (typically through their health plan administrators), and, indirectly, the plan members who are the consumers of healthcare services. Throughout the notes to the unaudited condensed consolidated financial statements, unless otherwise noted, "we," "us," "our", "MultiPlan", and the "Company" and similar terms refer to MultiPlan and its subsidiaries.Basis of Presentation and ConsolidationThe accompanying unaudited condensed consolidated financial statements of MultiPlan Corporation have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Certain information and disclosures required by accounting principles generally accepted in the United States (GAAP) for complete consolidated financial statements have been condensed or omitted pursuant to the SECâ€™s rules and regulations, although management believes that the disclosures are adequate and make the information presented not misleading. The unaudited condensed consolidated financial statements and notes herein should be read in conjunction with the audited consolidated financial statements of MultiPlan Corporation and the notes thereto, included in the Companyâ€™s 2023 Annual Report. In the opinion of management, all adjustments, which are of a normal and recurring nature, necessary for a fair statement of the Companyâ€™s financial position as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, and its results of operations and cash flows for the three and nine months ended SeptemberÂ 30, 2024 and 2023 have been included.Reverse Stock SplitOn September 20, 2024, the Company effected a one-for-forty (1-for-40) reverse stock split of its Class A common stock (the "Reverse Stock Split"). At a special meeting of stockholders held on September 9, 2024 (the â€œSpecial Meetingâ€), the Company's stockholders approved a Reverse Stock Split with a ratio of not less than 1-for-15 and not greater than 1-for-40, with the exact ratio and effective time of the Reverse Stock Split, if any, to be determined by the Companyâ€™s board of directors at any time within one year of the date of the Special Meeting. On September 10, 2024, the board of directors approved the Reverse Stock Split with a ratio of 1-for-40. The Company's common stock commenced trading on a reverse split-adjusted basis on September 23, 2024.As a result of the Reverse Stock Split, every forty (40) shares of common stock issued and outstanding or held as treasury stock were combined into one new share of common stock. The Reverse Stock Split did not impact the number of authorized shares of common stock or affect the par value of the common stock. No fractional shares were issued in connection with the Reverse Stock Split. Stockholders who were otherwise entitled to receive fractional shares of common stock received their pro-rata portion of the net proceeds obtained from the aggregation and sale by the exchange agent of the fractional shares resulting from the Reverse Stock Split (reduced by any customary brokerage fees, commissions and other expenses). References to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock units, share data, per share data and conversion rates with respect to convertible notes and related information contained in the unaudited condensed consolidated financial statements have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented. Summary of Significant Accounting PoliciesUse of EstimatesThe preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from the Company's estimates. Estimates are periodically reviewed in light of 12Table of Contentschanges in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Significant estimates and assumptions reflected in these unaudited condensed consolidated financial statements include, but are not limited to, revenue recognition, recoverability of long-lived assets, goodwill, valuation of Private Placement Warrants and Unvested Founder Shares, valuation of stock-based compensation awards and income taxes. Segment ReportingOperating segments are defined as components of an entity for which separate financial information is available and regularly reviewed by the chief operating decision maker. The Company manages its operations as a single segment for the purposes of assessing performance and making decisions. The Company's singular focus is being a leading provider of data-driven cost management solutions that deliver transparency and promote fairness, quality and affordability to the U.S. healthcare industry.In addition, all of the Company's revenues and long-lived assets are attributable to operations in the United States for all periods presented.Revenue RecognitionDisaggregation of RevenueThe following table presents revenues disaggregated by services and contract types:Three Months Ended September 30,Nine Months Ended September 30,(in thousands)2024202320242023RevenuesNetwork-Based Services$46,153Â $56,828Â $138,031Â $171,171Â PSAV32,883Â 40,441Â 95,752Â 122,679Â PEPM12,038Â 14,055Â 37,447Â 43,384Â Other1,232Â 2,332Â 4,832Â 5,108Â Analytics-Based Services157,704Â 158,414Â 477,693Â 462,275Â PSAV146,772Â 147,748Â 444,145Â 438,508Â PEPM9,031Â 8,786Â 27,610Â 21,008Â Other1,901Â 1,880Â 5,938Â 2,759Â Payment and Revenue Integrity Services26,638Â 27,562Â 82,755Â 83,943Â PSAV26,518Â 27,461Â 82,419Â 83,635Â PEPM120Â 101Â 336Â 308Â Total Revenues$230,495Â $242,804Â $698,479Â $717,389Â Percent of PSAV revenues89.4Â %88.8Â %89.1Â %89.9Â %Percent of PEPM revenues9.2Â %9.5Â %9.4Â %9.0Â %Percent of other revenues1.4Â %1.7Â %1.5Â %1.1Â %Due to the nature of our arrangements, certain estimates may be constrained if it is probable that a significant reversal of revenue will occur when the uncertainty is resolved. For our percentage of savings contracts, portions of revenue that are recognized and collected in a reporting period may be returned or credited in subsequent periods. These credits are the result of Payors not utilizing the discounts that were initially calculated, or differences between the Companyâ€™s estimates of savings achieved for a customer and the amounts self-reported in the following month by that same customer. Significant judgment is used in constraining estimates of variable consideration and is based upon both customer-specific and aggregated factors that include historical billing and adjustment data, customer contractual terms, and performance guarantees. We update our estimates at the end of each reporting period as additional information becomes available. There have not been any material changes to estimates of variable consideration for performance obligations satisfied prior to the nine months ended SeptemberÂ 30, 2024.The timing of payments from customers from time to time generates contract assets or contract liabilities, however these amounts are immaterial in all periods presented.13Table of ContentsAs part of our surprise billing services, we help our clients for federal disputes take claims through an independent dispute resolution ("IDR") process and we pay IDR fees on their behalf. IDR fees include an administrative fee to cover the costs for administration of the IDR process; and an Independent Dispute Resolution Entity ("IDRE") fee to cover dispute resolution services. These IDR fees are then collected from either our clients or the IDREs, depending on the outcome of the dispute.Derivatives Interest Rate Swap AgreementsThe Company is exposed to interest rate risk on its floating-rate debt. In September 2023, the Company entered into interest rate swap agreements to effectively convert some of its floating-rate debt to a fixed-rate basis. The Company entered into these agreements to reduce the variability of the cash flows in interest payments associated with the Companyâ€™s floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. The Company elected to apply the hedge accounting rules in accordance with authoritative guidance for the agreements entered into during the twelve months ended December 31, 2023. Changes in the fair value of interest rate swap agreements designated as cash flow hedges are recorded as a component of accumulated other comprehensive income within stockholdersâ€™ equity and are subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects "Earnings". Stock-Based CompensationIn 2024, the Company began granting a new type of award via the 2020 Omnibus Incentive Plan, in the form of employee performance stock units ("PSUs"). The PSUs vest approximately three years after grant if certain performance metrics are met, as follows: 50% of the PSUs may be earned based on the Companyâ€™s relative total stockholder return (â€œRTSRâ€) over the measurement period from January 1, 2024 to December 31, 2026 compared to the Russel 2000, and 50% of the PSUs may be earned based on the cumulative revenue from January 1, 2024 to December 31, 2025.The fair value assigned to PSUs is determined using the market price of the Companyâ€™s stock on the grant date for the performance based awards, i.e. the revenue PSUs, and by using a Monte Carlo simulation for the market based awards, i.e. the RTSR PSUs. Stock-based compensation costs associated with awards with a performance condition are re-assessed each reporting period based upon the estimated performance attainment on the reporting date until the performance conditions are met. The ultimate number of shares of common stock that are issued to an employee is the result of the actual performance of the Company at the end of the performance period compared to the performance targets and ranges from 0% to 150% of the initial PSU grant.The Monte Carlo simulation model uses the same input assumptions as the Black-Scholes model to determine the expected potential ranking of the Company against the Russel 2000, i.e. the probability of satisfying the market condition defined in the award. Expected volatility in the model was estimated based on the volatility of historical stock prices over a period matching the expected term of the award. The risk-free interest rate is based on U.S. Treasury yield constant maturities for a term matching the expected term of the award.Stock-based compensation is measured at the grant date based on the fair value of the award and is recognized as compensation expense for employee awards, net of forfeitures, over the applicable requisite service period of the stock award using the straight-line method for awards with only service conditions. The Company recognizes forfeitures as they occur.Certain assumptions used are subjective and require significant management judgment, and include (i) the risk-free rate, (ii) volatility, (iii) the expected term, and (iv) our assessment of actual performance in comparison to the targets set in the awards. Changes in these assumptions can materially affect the estimate of the grant date fair value of the PSUs and ultimately compensation expenses. 14Table of ContentsNew Accounting Pronouncements Issued but Not Yet AdoptedASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280), which provides enhanced disclosures about significant segment expenses. The standard also enhances interim disclosure requirements and provides new segment disclosure requirements for entities with a single reportable segment. The standard is effective for public companies for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Retrospective adoption is required for all prior periods presented. Early adoption is permitted. The amendments under ASU 2023-07 relate to financial disclosures and its adoption will not have an impact on the Company's results of operations, financial position or cash flows. The Company is currently evaluating the effect that implementation of this standard will have on the Company's disclosures. The Company will adopt ASU 2023-07 for the annual reporting period ending December 31, 2024 and for interim reporting periods thereafter. ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740). In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). This standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is effective for public business entities for annual periods beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively for all prior periods presented. The Company is currently evaluating the impact of this disclosure.15Table of Contents2.Â Â Â Â Business Combinations BST AcquisitionOn May 8, 2023, the Company acquired 100 percent of Benefits Science LLC ("Benefits Science Technologies" or "BST"), a Texas limited liability company offering next generation data and advanced analytics services for $160.1Â million, net of acquired cash, consisting of $140.9Â million in cash and $19.2Â million in Company Class A common stock. This acquisition adds enhanced data and analytics capabilities to our existing services.The BST acquisition was accounted for as a business combination using the acquisition method of accounting. As a result of the BST acquisition and the application of purchase accounting, BST's identifiable assets and liabilities were adjusted to their fair market value as of the acquisition date. For income tax purposes, the acquisition of BST is treated as the acquisition of partnership interests. The resulting intangible assets are amortizable for income tax purposes. Following the consummation of the transactions, the Company entered into separately recognized transactions with key employees and service providers of BST who are employed or engaged by the Company and are eligible to participate in a long-term incentive and retention program. Pursuant to this incentive and retention program, cash payments will be made to such participant if: (i) subject to limited exceptions, such participant remains employed or engaged by the Company through the date of payment; and (ii) certain threshold, target and maximum annual recurring revenue targets relating to the business of BST are met over three to five years. The aggregate potential cash payments under this plan if the target annual recurring revenue targets are achieved was $66.0Â million at inception and $52.5Â million to participants remaining as of September 30, 2024, with additional aggregate potential cash payments if the maximum annual recurring revenue targets are achieved of up to $16.5Â million at inception and $13.1Â million to participants remaining as of September 30, 2024. If a minimum threshold as a percentage of target annual recurring revenue is not achieved, no cash payments will be due. The Company will account for the incentive payments as post-combination compensation costs. The following table summarizes the consideration transferred to acquire BST and the amounts of identified assets acquired and liabilities assumed at the acquisition date: (in thousands)Total consideration$160,827Â Cash and cash equivalents673Â Trade accounts receivable, net2,053Â Prepaid expenses204Â Property and equipment, net57Â Operating lease right-of-use assets1,129Â Other assets46Â Other intangibles, net(1)35,700Â Accounts payable(717)Other accrued expenses(938)Operating lease obligation, short-term(150)Operating lease obligation, long-term(1,033)Total identifiable net assets37,024Â Goodwill$123,803Â (1)Includes client relationships of $19.2Â million with a remaining useful life of 20 years, technology of $15.5Â million with a remaining useful life of 7 years, and non-compete agreements of $1.0Â million with a remaining useful life of 5 years. The weighted average remaining useful life of the acquired intangibles subject to amortization is 14 years.The results of operations and financial condition of BST have been included in the Company's consolidated results from the date of acquisition. 16Table of ContentsIn connection with the BST acquisition, the Company incurred transaction costs. The transaction costs have been expensed as incurred and these amounts totaling $0.1Â million and $6.9Â million for the three and nine months ended September 30, 2023, respectively, are included in general and administrative expenses in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss. No transaction costs were incurred during the three and nine months ended SeptemberÂ 30, 2024.Unaudited Pro Forma Financial InformationThe following represents pro forma effects of the BST acquisition as if it had occurred on January 1, 2022. The pro forma net loss includes: (1) an increase in amortization of intangible assets of $3.0Â million related to added amortization expense associated with intangible assets acquired in the acquisition; and (2) the addition of $11.3Â million of transaction costs incurred, together with the income tax effects on (1) through (2). These pro forma results are not necessarily indicative of the results that would have occurred if the acquisition occurred on the first day of the period presented, nor does the pro forma financial information purport to present the results of operations for future periods. The following information for the year ended December 31, 2022 is presented in thousands:Revenues$1,090,810Â Net loss(586,093)17Table of Contents3.Â Â Â Â Goodwill and Other Intangible AssetsAs of each balance sheet date, other intangible assets consisted of the following:September 30, 2024December 31, 2023(in thousands)Weighted-average amortization periodGrossCarryingAmountAccumulatedAmortizationNetCarryingValueGrossCarryingAmountAccumulatedAmortizationNetCarryingValueCustomer relationships15 years$4,197,480Â $(2,300,824)$1,896,656Â $4,197,480Â $(2,090,703)$2,106,777Â Provider network15 years896,800Â (497,226)399,574Â 896,800Â (452,386)444,414Â Technology6 years21,850Â (8,069)13,781Â 21,850Â (5,455)16,395Â Trade names9 years2,670Â (1,107)1,563Â 2,670Â (919)1,751Â Trade namesIndefinite54,500Â â€”Â 54,500Â 63,000Â â€”Â 63,000Â Non-compete5 years1,000Â (280)720Â 1,000Â (130)870Â Total$5,174,300Â $(2,807,506)$2,366,794Â $5,182,800Â $(2,549,593)$2,633,207Â Goodwill for the three and nine months ended SeptemberÂ 30, 2024 and 2023 was as follows:(in thousands)20242023Beginning balance, January 1$3,829,002Â $3,705,199Â Loss on impairment (516,350)â€”Â Ending balance, March 31$3,312,652Â $3,705,199Â Acquisitionsâ€”Â 124,157Â Loss on impairment(553,701)â€”Â Ending balance, June 30$2,758,951Â $3,829,356Â Purchase price adjustment$â€”Â (354)Loss on impairment$(355,811)â€”Â Ending balance, September 30$2,403,140Â $3,829,002Â The goodwill arose from the acquisition of the Company in 2016 by Holdings, the HST acquisition in 2020, the DHP acquisition in 2021 and the BST acquisition in 2023. The carrying value of goodwill was $2,403.1Â million and $3,829.0Â million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. During the three months ended March 31, 2024We concluded that the significant declines in our stock price and market capitalization during the month of March 2024 represented a triggering event and therefore performed an impairment assessment of goodwill and indefinite-lived intangible assets as of March 31, 2024.The estimated fair value of our indefinite-lived trade names was less than their carrying value and as a result a loss on impairment of $2.7 million was recorded during the three months ended March 31, 2024.The quantitative assessment of our goodwill as of March 31, 2024 indicated that the estimated fair value of the reporting unit was less than its carrying value, and as a result a loss on impairment of $516.4 million was recorded during the three months ended March 31, 2024.The loss on impairment of goodwill and intangible assets was primarily due to the use of a higher discount rate in response to significant declines in our stock price and lower EBITDA multiples. There were no material changes in the forecasted revenues and expenses utilized in the analysis compared to November 1, 2023.The Company incurred a goodwill impairment charge of $516.4

million in the first quarter of 2024. Of this impairment charge, $490.2Â million is permanently nondeductible for income tax purposes resulted in an income tax expense of $103.0Â million. The impairment charge is treated as a discrete item for the three months ended March 31, 2024, which impacted our effective tax rate versus our statutory tax rate.18Table of ContentsDuring the three months ended June 30, 2024We concluded that the significant declines in our stock price and market capitalization during the three months ended June 30, 2024, along with revised forecasts, represented triggering events and therefore performed an impairment assessment of goodwill and indefinite-lived intangible assets as of June 30, 2024. No impairment was recorded for our indefinite-lived trade names during the three months ended June 30, 2024 as their fair value exceeded their carrying value. The quantitative assessment of our goodwill as of June 30, 2024 indicated that the estimated fair value of the reporting unit was less than its carrying value, and as a result a loss on impairment of $553.7Â million was recorded during the three months ended June 30, 2024. The loss on impairment of goodwill was primarily due to the use of lower projected cash flows, lower EBITDA multiples and the use of a higher discount rate in response to the estimation uncertainty of our cash flow projections.The Company incurred a goodwill impairment charge of $553.7Â million during three months ended June 30, 2024. Of this impairment charge, $522.1Â million is permanently nondeductible for income tax purposes resulted in an income tax expense of $109.6Â million. The impairment charge is treated as a discrete item for the three months ended June 30, 2024, which impacted our effective tax rate versus our statutory tax rate.During the three months ended SeptemberÂ 30, 2024We concluded that the continued declines in our stock price and market capitalization during the three months ended SeptemberÂ 30, 2024, along with the revised forecasts in connection with establishing a new capital structure as further described in Note 5 Long-Term Debt, represented triggering events and therefore performed an impairment assessment of goodwill and indefinite-lived intangible assets as of SeptemberÂ 30, 2024. The estimated fair value of our indefinite-lived trade names was less than their carrying value and as a result a loss on impairment of $5.8Â million was recorded during the three months ended SeptemberÂ 30, 2024.The quantitative assessment of our goodwill as of SeptemberÂ 30, 2024 indicated that the estimated fair value of the reporting unit was less than its carrying value, and as a result a loss on impairment of $355.8Â million was recorded during the three months ended SeptemberÂ 30, 2024. The loss on impairment of goodwill and intangible assets was primarily due to the use of lower projected cash flows and lower EBITDA multiples.The Company incurred a goodwill impairment charge of $355.8Â million during three months ended SeptemberÂ 30, 2024. Of this impairment charge, $332.0Â million is permanently nondeductible for income tax purposes and resulted in an income tax expense of $69.7Â million. The impairment charge is treated as a discrete item for the three months ended SeptemberÂ 30, 2024, which impacted our effective tax rate versus our statutory tax rate.Impairment losses are included in Loss on impairment of goodwill and intangible assets in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss. No impairment was recorded in the three and nine months ended SeptemberÂ 30, 2023.In the quantitative impairment test of goodwill performed in the three months ended SeptemberÂ 30, 2024, we calculate the estimated enterprise fair value of the reporting unit using (i)Â a discounted cash flow analysis, (ii)Â forecasted EBITDA trading multiples for comparable publicly traded companies and (iii)Â historical EBITDA multiples for comparable acquisitions, giving equal weight to the three approaches. Assumptions used in the discounted cash flow analysis include forecasted revenues, forecasted expenses, the terminal growth rate and the discount rate. The fair value measurements are based on significant unobservable inputs, and thus represent Level 3 inputs. Following the goodwill impairment the carrying value of this reporting unit equaled its fair value as of SeptemberÂ 30, 2024. Therefore, if business conditions or expectations were to change materially, it may be necessary to record further impairment charges in the future.4.Â Â Â Â Derivative Financial InstrumentsThe Company is exposed to interest risk on its floating rate debt. On September 12, 2023, the Company entered into interest rate swap agreements with a total notional value of $800 million to effectively convert a portion of its floating rate debt 19Table of Contentsto a fixed-rate basis. The interest rate swap agreements are effective AugustÂ 31, 2023 and mature on AugustÂ 31, 2026. The Company entered into these agreements to reduce the volatility of the cash flows in interest payments associated with the Company's floating rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. The Company's interest rate swaps are highly effective at offsetting the changes in cash outflows and therefore designated as cash flow hedging instruments. The Company records derivatives on the balance sheet at fair value, as described in Note 7 Fair Value Measurements. The gain or loss on the derivative is recorded in accumulated other comprehensive income and subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects earnings. The following table represents the activity of cash flow hedges included in accumulated other comprehensive loss for the periods presented: (in thousands) 20242023Balance as of January 1$(11,778)$â€”Â Unrealized gain recognized in other comprehensive income before reclassifications6,963Â â€”Â Reclassifications to interest expense1,579Â â€”Â Balance as of March 31, net of tax$(3,236)$â€”Â Unrealized gain recognized in other comprehensive income before reclassifications593Â â€”Â Reclassification to interest expense1,522Â â€”Â Balance as of June 30, net of tax$(1,121)$â€”Â Unrealized (loss) gain recognized in other comprehensive income before reclassifications(12,686)936Â Reclassification to interest expense1,345Â 554Â Balance as of September 30, net of tax$(12,462)$382Â The Company recognized gains related to the cash flow derivatives of $1.3 million and $4.4 million during the three and nine months ended SeptemberÂ 30, 2024, respectively, and $0.6 million during the three and nine months ended SeptemberÂ 30, 2023. The gains are recognized within interest expense in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss.The following table represents the fair value of derivative assets and liabilities within the condensed consolidated balance sheets:(in thousands)Fair Value at SeptemberÂ 30, 2024Fair Value at DecemberÂ 31, 2023Derivatives designated as cash flow hedging instruments: Other current assets, net$321Â $1,822Â Other accrued expenses$4,718Â $â€”Â Other liabilities$11,675Â $16,782Â 20Table of Contents5.Â Â Â Â Long-Term DebtAs of SeptemberÂ 30, 2024, and DecemberÂ 31, 2023, long-term debt consisted of the following:Key TermsSeptember 30, 2024December 31, 2023(in thousands)CharacterPriorityMaturityCouponTerm Loan BTerm LoanSenior Secured9/1/2028(1)Variable(2)$1,285,250Â $1,295,188Â 5.50% Senior Secured NotesNotesSenior Secured9/1/20285.50%1,050,000Â 1,050,000Â 5.750% NotesNotesSenior Unsecured11/1/20285.750%979,827Â 979,827Â Senior Convertible PIK NotesConvertible Notes(3)Senior Unsecured10/15/2027Cash Interest 6.00%, PIK Interest 7.00%1,253,890Â 1,275,000Â Finance lease obligations, non-currentOtherSenior Secured2024-20293.38% - 20.31%93Â 15Â Long-term debt4,569,060Â 4,600,030Â Less: current portion of long-term debt(13,250)(13,250)Discount - Term Loan B(7,938)(9,331)Discountâ€‰â€”â€‰Senior Convertible PIK Notes(15,175)(18,833)Less: debt discounts, net(23,113)(28,164)Debt issuance costs - Term Loan B(4,320)(5,079)Debt issuance costs - 5.50% Senior Secured Notes(9,613)(10,933)Debt issuance costs - 5.750% Notes(8,519)(9,871)Less: debt issuance costs, net(22,452)(25,883)Long-term debt, net$4,510,245Â $4,532,733Â (1)Beginning December 31, 2021 and quarterly thereafter, we will repay a principal amount of the Term Loan B equal to 0.25% of the initial aggregate principal of $1,325.0 million. These scheduled principal repayments may be reduced by any voluntary or mandatory prepayments made in accordance with the credit agreement. (2)Interest on Term Loan B and Revolver B is calculated, at MPH's option, as (a)Â Term SOFR (or, with respect to the term loan facility only, 0.50%, whichever is higher), plus the applicable SOFR adjustment, plus the applicable margin, or (b)Â the highest rate of (1)Â prime rate, (2)Â the federal funds effective rate, plus 0.50%, (3)Â the Term SOFR for an interest period of one month, plus the applicable SOFR adjustment, plus 1.00% and (4)Â 0.50% for Term Loan B and 1.00% for Revolver B, in each case, plus an applicable margin of 4.25% for Term Loan B and between 3.50% and 4.00% for Revolver B, depending on MPH's first lien debt to consolidated EBITDA ratio. The interest rate in effect for Term Loan B was 9.57% as of SeptemberÂ 30, 2024. (3)The Senior Convertible PIK Notes are convertible into shares of the Company's Class A common stock based on a $520.00 conversion price, subject to customary anti-dilution adjustments.During the nine months ended SeptemberÂ 30, 2024, the Company purchased and cancelled $21.1 million of the Senior Convertible PIK Notes. The repurchases resulted in the recognition of a gain on extinguishment of $5.9 million during the nine months ended SeptemberÂ 30, 2024, which are included in gain on extinguishment of debt in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss. No repurchases were made during the three months ended SeptemberÂ 30, 2024.As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, the Company was in compliance with all of the debt covenants. See our discussion of Debt Covenants and Events of Default provided in â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€. 21Table of ContentsOn September 10, 2024, the Company announced that it is exploring ways to ensure its capital structure enables the Company to operate as efficiently and sustainably as possible and is in discussions with several MultiPlan debt holders to establish a capital structure that will help the Company facilitate its transformation into a data and technology-forward company focused on improving transparency, quality, and affordability in healthcare.6.Â Â Â Â Private Placement Warrants and Unvested Founder SharesThe Company classifies the Private Placement Warrants and Unvested Founder Shares as a liability on its unaudited condensed consolidated balance sheets as these instruments are precluded from being indexed to our own stock given the terms allow for a settlement that does not meet the scope of the fixed-for-fixed exception in Accounting Standards Codification 815.The Private Placement Warrants and Unvested Founder Shares were initially recorded at fair value on the date of consummation of the Transactions and are subsequently adjusted to fair value at each subsequent reporting date. The fair value of the Unvested Founder Shares and unvested Private Placement Warrants is obtained using a Monte Carlo model and the fair value of the remaining Private Placement Warrants is obtained using a Black Scholes model, together referenced as the "option pricing" model. The Company will continue to adjust the liability for changes in fair value for the founder shares until the earlier of the re-vesting or forfeiture of these instruments. The Company will continue to adjust the liability for changes in fair value for the Private Placement Warrants until the warrant is equity classified. Effected for the Reverse Stock Split, there are 476,717 Private Placement Warrants and 310,102 Unvested Founder Shares outstanding as of SeptemberÂ 30, 2024.As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, the fair value of the Private Placement Warrants and the Unvested Founder Shares were:(in thousands)September 30, 2024December 31, 2023Private Placement Warrants$1Â $183Â Unvested Founder Shares$â€”Â $294Â For the three and nine months ended SeptemberÂ 30, 2024, the change in fair values was primarily due to the change in expected term and the decrease in the price of the Company's Class A common stock over that period. The accompanying unaudited condensed consolidated statements of loss and comprehensive loss include (gains) losses related to the change in fair value of the Private Placement Warrants and Unvested Founder Shares for theÂ three and nine months ended SeptemberÂ 30, 2024 and 2023 as follows:Three Months Ended September 30,Nine Months Ended September 30,(in thousands)2024202320242023Private Placement Warrants(44)(763)(182)143Â Unvested Founder Shares(43)(1,364)(294)124Â (Gain) loss on change in fair value of Private Placement Warrants and Unvested Founder Shares(87)(2,127)(476)267Â 7.Â Â Â Â Fair Value MeasurementsFair value measurements are based on the premise that fair value represents an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the following three-tier fair value hierarchy has been used in determining the inputs used in measuring fair value:â€¢LevelÂ 1â€‰â€”â€‰Quoted prices in active markets for identical assets or liabilities on the reporting date.â€¢LevelÂ 2â€‰â€”â€‰Inputs, other than quoted prices in active markets (LevelÂ 1), that are observable for the asset or liability, either directly or indirectly.â€¢LevelÂ 3â€‰â€”â€‰Unobservable inputs in which there is little or no market data, which require the entity to develop its own assumptions.22Table of ContentsFinancial instrumentsCertain financial instruments which are not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable and accounts payable, which approximate fair value due to their short-term nature. The financial instrument that potentially subjects the Company to concentrations of credit risk consists primarily of accounts receivable.Cash and cash equivalents as of DecemberÂ 31, 2023 included money market funds of $20.0 million, which were valued based on Level 1 measurements using quoted prices in active markets for identical assets. Cash and cash equivalents as of SeptemberÂ 30, 2024 did not include money market funds. As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, the Company's carrying amount and fair value of long-term debt consisted of the following:September 30, 2024December 31, 2023(in thousands)CarryingAmountFair ValueCarryingAmountFair ValueLong-term Debt:Term Loan B, net of discount (includes current portion)$1,277,312Â $966,925Â $1,285,857Â $1,243,424Â 5.50% Senior Secured Notes1,050,000Â 758,100Â 1,050,000Â 946,050Â 5.750% Notes979,827Â 480,115Â 979,827Â 805,418Â Senior Convertible PIK Notes, net of discount1,238,715Â 854,713Â 1,256,167Â 869,268Â Finance lease obligations93Â 93Â 15Â 15Â Total Long-term Debt$4,545,947Â $3,059,946Â $4,571,866Â $3,864,175Â We estimate the fair value of long-term debt using quoted prices in active markets. As such, this is considered a LevelÂ 1 fair value measurement. Recurring fair value measurementsThe Private Placement Warrants and Unvested Founder Shares are measured at fair value on a recurring basis. The fair value of these instruments was determined based on significant inputs not observable in the market which would represent a level 3 measurement within the fair value hierarchy. The Company uses an option pricing simulation to estimate the fair value of these instruments.The Company records derivatives on the balance sheet at fair value, which represents the estimated amounts it would receive or pay upon termination of the derivative prior to the scheduled expiration date. The fair value is derived from model-driven information based on observable Level 2 inputs, such as SOFR forward rates.Non-recurring fair value measurementsWe also measure certain non-financial assets at fair value on a nonrecurring basis, primarily goodwill and long-lived tangible and intangible assets, in connection with periodic evaluations for potential impairment. We estimate the fair value of these assets using primarily unobservable inputs and, as such, these are considered LevelÂ 3 fair value measurements. There were impairment charges of $361.6 million and $1,434.4 million for goodwill and long-lived intangible assets for the three and nine months ended SeptemberÂ 30, 2024, respectively, and none for the three and nine months ended SeptemberÂ 30, 2023.Our non-marketable equity securities using the measurement alternative are adjusted to fair value on a non-recurring basis. Adjustments are made when observable transactions for identical or similar investments of the same issuer occur, or due to impairment. These securities are classified as Level 2 in the fair value hierarchy because we estimate the value based on valuation methods using the observable transaction price at the transaction date. At SeptemberÂ 30, 2024, the carrying amount of these alternative investments, recorded under Other assets, net in the unaudited condensed consolidated balance sheets, was $15.0 million. There were no write-ups due to observable price changes or write-downs due to impairment in the current period.23Table of Contents8.Â Â Â Â Commitments and ContingenciesCommitmentsThe Company has certain irrevocable letters of credit used to satisfy real estate lease agreements for three of our offices in lieu of security deposits in the amount of $1.8 million outstanding as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023. The Company also has an irrevocable letter of credit to satisfy the obligations of a captive insurance subsidiary in the amount of $6.1 million outstanding as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023.Claims and LitigationThe Company is a defendant in various lawsuits and other pending and threatened litigation and other adversarial matters as well as regulatory investigations, all of which have arisen in the ordinary course of business. While the ultimate outcome with respect to such proceedings cannot be predicted with certainty, the Company does not believe they will result, individually or in the aggregate, in a material adverse effect upon our financial condition, results of operations, or cash flows. On July 11, 2024, we settled litigation filed in 2014 in which a dialysis company alleged that an entity we acquired in 2011 was liable for certain payments owed to the dialysis provider. As a result of this settlement, we have received $9.8 million of recoveries from insurers in the three months ended SeptemberÂ 30, 2024, and on October 7, 2024, we completed the settlement payment. For example, and relating to litigation on the basis of alleged violation of antitrust laws, the Company has been named in numerous federal lawsuits, including putative class action lawsuits, asserting that, among other things, the Company is conspiring with commercial health insurance payors to suppress out of network reimbursements in violation of applicable antitrust law. These lawsuits were initially filed in various venues, including the Southern District of New York, the Northern District of Illinois, and the Northern District of California, naming the Company and, in certain cases, certain payors, as defendants. The lawsuits have now been centralized in the Northern District of Illinois pursuant to a transfer order issued by the federal Judicial Panel on Multidistrict Litigation and assigned to the Honorable Matthew F. Kennelly. The Court has ordered consolidated complaints to be filed by November 18, 2024, with motion to dismiss briefing to follow. We believe these lawsuits are without merit and intend to vigorously defend the Company.We accrue for costs associated with certain contingencies, including, but not limited to, settlement of legal proceedings, regulatory compliance matters and self-insurance exposures when such costs are probable and reasonably estimable. Such accruals are included in accrued legal contingencies on the accompanying unaudited condensed consolidated balance sheets. In addition, we accrue for legal fees incurred in defense of asserted litigation and regulatory matters as such legal fees are incurred. To the extent it is probable under our existing insurance coverage that we are able to recover losses and legal fees related to contingencies, we record such recoveries concurrently with the accrual of the related loss or legal fees. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In our determination of the probability and ability to estimate contingent liabilities and related insurance recoveries we consider the following: litigation exposure based on currently available information, consultations with external legal counsel, adequacy and applicability of existing insurance coverage, appeal bonds or similar instrument posted, and other pertinent facts and circumstances regarding the contingency. Liabilities established to provide for contingencies are adjusted as further information develops, circumstances change, or contingencies are resolved; and such changes are recorded in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss during the period of the change and appropriately reflected in accrued legal contingencies on the accompanying unaudited condensed consolidated balance sheets.9.Â Â Â Â Shareholder's Equity On February 27, 2023, the Board approved a repurchase program, authorizing, but not obligating, the Company's repurchase of up to an aggregate amount of $100.0 million of its Class A common stock from time to time through December 31, 2023. On November 8, 2023, the Board extended the repurchase program through DecemberÂ 31, 2024. As of SeptemberÂ 30, 2024, the Company has spent $25.6 million, including commissions, for the repurchase of its Class A common stock as part of this program using cash on hand, of which $10.4 million was spent during the nine months ended SeptemberÂ 30, 2024. No repurchases were made during the three months ended SeptemberÂ 30, 2024.On May 8, 2023, the Company issued stock consideration of 539,716 shares of Company Class A common stock for the acquisition of BST. 24Table of Contents10.Â Â Â Â Basic and Diluted Loss Per ShareThe following table sets for the weighted average number of shares outstanding and the computation of basic and diluted net loss per share, retroactively adjusted to reflect the Reverse Sock Split for the periods presented: Three Months Ended September 30,Nine Months Ended September 30,(in thousands, except number of shares and per share data)2024202320242023Numerator for earnings per share calculationNet loss $(391,450)$(24,145)$(1,507,866)$(60,306)Denominator for earnings per share calculationWeighted average number of shares outstandingâ€‰â€“â€‰basic16,143,520Â 16,161,095Â 16,139,523Â 16,096,395Â Weighted average number of shares outstandingâ€‰â€“â€‰diluted16,143,520Â 16,161,095Â 16,139,523Â 16,096,395Â (Loss) Income per shareâ€‰â€“â€‰basic and diluted:Net loss per shareâ€‰â€“â€‰basic(24.25)(1.49)(93.43)(3.75)Net loss per shareâ€‰â€“â€‰diluted(24.25)(1.49)(93.43)(3.75)For the three and nine months ended SeptemberÂ 30, 2024 and September 30, 2023, potentially dilutive securities were excluded from the calculation of diluted net loss per share, as their effect would have been anti-dilutive given the Company's losses incurred. Therefore, the weighted average number of shares outstanding used to calculate both basic and diluted net loss per share is the same.11.Â Â Â Â Related Party TransactionsThe accompanying unaudited condensed consolidated statements of loss and comprehensive loss include related party expenses of $23Â thousand and $82Â thousand for theÂ three and nine months ended SeptemberÂ 30, 2024 and $78Â thousand and $233Â thousand for the three and nine months ended September 30, 2023. These expenses are associated with a software license from Abacus Insights, Inc., as well as customer service software and captive management services from companies controlled by Hellman & Friedman LLC. The accompanying unaudited condensed consolidated balance sheets include prepaid expenses of $6Â thousand and $36Â thousand from related parties as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. 25Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONSThe following discussion and analysis of the Companyâ€™s financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes thereto contained elsewhere in this Quarterly Report and together with the information included in the Companyâ€™s 2023 Annual Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties; the results described below are not necessarily indicative of the results to be expected in any future periods. References to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock units, share date, per share data and conversion rates with respect to convertible notes and related information have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented.Cautionary Note Regarding Forward-looking StatementsAll statements other than statements of historical fact included in this Quarterly Report including, without limitation, statements under this â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€ regarding the Companyâ€™s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the next quarter and beyond. When used in this Quarterly Report, words such as â€œbelieves,â€ â€œestimates,â€ â€œanticipates,â€ â€œexpects,â€ â€œseeks,â€ â€œprojects,â€ â€œintends,â€ â€œplans,â€ â€œmay,â€ â€œwillâ€ or â€œshouldâ€ or, in each case, their negative or other variations or comparable terminology represent forward-looking statements that include matters that are not historical facts. They may appear in a number of places throughout this Quarterly Report and these forward-looking statements reflect managementâ€™s expectations regarding our future growth, results of operations, operational and financial performance and business prospects and opportunities. Such forward-looking statements are based on available current market material and managementâ€™s expectations, beliefs and forecasts concerning future events impacting our business. Factors that may impact such forward-looking statements include:â€¢loss of our customers, particularly our largest customers;â€¢interruptions or security breaches of our information technology systems and other cybersecurity attacks;â€¢the impact of reduced claims volumes resulting from a nationwide outage by a vendor used by our customers;â€¢the ability to achieve the goals of our strategic plans and recognize the anticipated strategic, operational, growth and efficiency benefits when expected;â€¢our ability to enter new lines of business and broaden the scope of our services;â€¢the loss of key members of our management team or inability to maintain sufficient qualified personnel;â€¢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;â€¢trends in the U.S. healthcare system, including recent trends of unknown duration of reduced healthcare utilization and increased patient financial responsibility for services;â€¢effects of competition;â€¢effects of pricing pressure;â€¢our ability to identify, complete and successfully integrate acquisitions;â€¢the inability of our customers to pay for our services;â€¢changes in our industry and in industry standards and technology; â€¢our ability to protect proprietary information, processes, and applications;â€¢our ability to maintain the licenses or right of use for the software we use;â€¢our inability to expand our network infrastructure;26â€¢our ability to obtain additional financing; â€¢our ability to pay interest and principal on our notes and other indebtedness;â€¢lowering or withdrawal of our credit ratings;â€¢adverse outcomes related to litigation or governmental proceedings;â€¢inability to preserve or increase our existing market share or the size of our preferred provider organization networks;â€¢decreases in discounts from providers;â€¢pressure to limit access to preferred provider networks;â€¢the loss of our existing relationships with providers;â€¢changes in our regulatory environment, including healthcare law and regulations;â€¢the expansion of privacy and security laws;â€¢heightened enforcement activity by government agencies;â€¢the possibility that we may be adversely affected by other political, economic, business, and/or competitive factors;â€¢changes in accounting principles or the incurrence of impairment charges;â€¢our ability to remediate any material weaknesses or maintain effective internal controls over financial reporting;â€¢other factors disclosed in this Quarterly Report; andâ€¢other factors beyond our control.The forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on our business. There can be no assurance that future developments affecting our business will be those that we have anticipated. 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 risks and uncertainties include, but are not limited to, those factors referred to under the heading â€œRisk Factorsâ€ in Part II, Item 1A of this Quarterly Report or as described in our 2023 Annual Report. 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. 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.Company OverviewMultiPlan is a leading provider of data-driven cost management solutions that deliver transparency and promote fairness, quality and affordability to the U.S. healthcare industry. Through our proprietary data and technology platform, we provide out-of-network cost management, payment and revenue integrity, data and decision science, business-to-business healthcare payments and other services to the payors of healthcare, which are primarily health insurers and their administrative-services-only platforms, self-insured employers, federal and state government-sponsored health plans (collectively "Payors") and other health plan sponsors (typically through their health plan administrators), and, indirectly, the plan members who are the consumers of healthcare services. Although the end beneficiary of our services are employers and other plan sponsors and their health plan members, our direct customers are typically Payors, including Payors providing administrative services only, third-party administrators ("TPAs"), who go to market with our services to those end customers. We offer these Payors a single interface to our services, which are used in combination or individually to reduce the medical cost burden on their health plan customers, by lowering the per-unit cost of medical services incurred, managing the utilization of medical services, and increasing the likelihood that the services are reimbursed without error and accepted by the provider. We are a technology-enabled service provider and transaction processor and do not deliver health-care services, provide or manage healthcare services, provide care or care management, or adjudicate or pay claims.27The Company, primarily through its operating subsidiary, MultiPlan, Inc., offers its solutions nationally through a range of service lines, which include: â€¢Analytics-Based Services reduce medical cost through data-driven algorithms and insights that detect claims over-charges and either negotiate or recommend fair reimbursement for out-of-network medical costs using a variety of data sources and pricing algorithms. Our Analytics-Based Services claim pricing services are generally priced based on a percentage of savings achieved. Also included in this category are services that enable lower cost health plans that feature reference-based pricing either in conjunction with or in place of a provider network. These services are generally priced at a bundled PEPM rate; â€¢Network-Based Services reduce medical cost by providing access to contracted discounts with healthcare providers with whom Payors do not have a contractual relationship, through our expansive network of over 1.4 million healthcare providers, which forms one of the largest independent preferred provider organizations in the United States. Our Network-Based Services are priced based on either a percentage of savings achieved or at a per employee/member per month fee. This service category also includes customized network development and management services for Payors seeking to expand their network footprint using outsourced services. These services are generally priced on a per provider contract or other project-based price; â€¢Payment and Revenue Integrity Services reduce medical cost through data, technology, and clinical expertise deployed to identify and remove improper and unnecessary charges before or after claims are paid, or to identify and help restore premium dollars underpaid by CMS for government health plans caused by discrepancies with enrollment-related data. Payment and Revenue Integrity Services are generally priced based on a percentage of savings achieved; andâ€¢Data and Decision Science Services reduce medical costs through a next generation suite of solutions that apply modern methods of data science to produce descriptive, predictive, and prescriptive analytics that enable customers to optimize decision-making about plan design and network configurations and to support decision-making to improve clinical outcomes, plan performance, and competitive positioning. We formed this new service category in the second quarter of 2023 and accelerated its development through the acquisition of BST. Data and Decisions Science Services are generally priced based on a subscription, licensing, or per-member-per month basis.â€¢Additionally, in 2023 the Company entered into a partnership agreement with ECHO Health, Inc., which through a joint marketing and services agreement adds payment processing of healthcare provider claims as well as payments made to other service providers. We believe our solutions provide a strong value proposition to Payors, their health plan customers and healthcare consumers, as well as to providers. Overall, our service offerings aim to reduce healthcare costs in a manner that is orderly, efficient, and fair to all parties. In addition, because in most instances the fee for our services is linked to the savings we identify, our revenue model is aligned with the interests of our customers. For the nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023 and year ended DecemberÂ 31, 2023, our comprehensive services identified approximately $18.3 billion, $17.0 billion, and $22.9 billion in potential medical cost savings, respectively.Reverse Stock SplitOn September 20, 2024, the Company effected a one-for-forty (1-for-40) reverse stock split of its Class A common stock (the "Reverse Stock Split"). At a special meeting of stockholders held on September 9, 2024 (the â€œSpecial Meetingâ€), the Company's stockholders approved a Reverse Stock Split with a ratio of not less than 1-for-15 and not greater than 1-for-40, with the exact ratio and effective time of the Reverse Stock Split, if any, to be determined by the Companyâ€™s board of directors at any time within one year of the date of the Special Meeting. On September 10, 2024, the board of directors approved a Reverse Stock Split with a ratio of 1-for-40. The Company's common stock commenced trading on a reverse split-adjusted basis on September 23, 2024.As a result of the Reverse Stock Split, every forty (40) shares of common stock either issued and outstanding or held as treasury stock were combined into one new share of common stock. The Reverse Stock Split did not impact the number of authorized shares of common stock or affect the par value of the common stock. No fractional shares were issued in connection 28with the Reverse Stock Split. Stockholders who were otherwise entitled to receive fractional shares of common stock received their pro-rata portion of the net proceeds obtained from the aggregation and sale by the exchange agent of the fractional shares resulting from the Reverse Stock Split (reduced by any customary brokerage fees, commissions and other expenses). References to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock units, share data, per share data and conversion rates with respect to convertible notes and related information contained in the unaudited condensed consolidated financial statements have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented. Factors Affecting Our Results of OperationsMedical Cost SavingsOur business and revenues are driven by the ability to lower medical costs through claim savings for our customers. The volume of medical charges associated with those claims is a primary driver of our ability to generate claim savings.The following table presents the medical charges processed and the potential savings identified across our products and revenue streams, including PEPM and PSAV, for the periods presented:Three Months Ended September 30,ChangeNine Months Ended September 30,Change(in millions)20242023%20242023Commercial Health PlansMedical charges processed$20,515Â $18,495Â 10.9%$58,661Â $55,644Â 5.4%Potential medical cost savings$6,010Â $5,462Â 10.0%$17,238Â $16,080Â 7.2%Potential savings as a % of charges29.3Â %29.5Â %29.4Â %28.9Â %Payment & Revenue Integrity, Property & Casualty, and OtherMedical charges processed$24,186Â $23,991Â 0.8%$72,821Â $69,644Â 4.6%Potential medical cost savings$348Â $319Â 9.1%$1,029Â $930Â 10.6%Potential savings as a % of charges1.4Â %1.3Â %1.4Â %1.3Â %TotalMedical charges processed$44,701Â $42,486Â 5.2%$131,482Â $125,289Â 4.9%Potential medical cost savings$6,358Â $5,781Â 10.0%$18,267Â $17,010Â 7.4%Potential savings as a % of charges14.2Â %13.6Â %13.9Â %13.6Â %Medical charges processed represent the aggregate dollar amount of claims processed by our cost management and payment and revenue integrity solutions in the period presented. The dollar amount of the claim for the purposes of this calculation is the dollar amount of the claim prior to any reductions that may be made as a result of the claim being processed by our solutions. Potential medical cost savings represent the aggregate amount of potential savings in dollars identified by our cost management and payment and revenue integrity solutions in the period presented. Since certain of our fees are based on the amount of savings achieved by our customers, and our customers are the final adjudicator of the claims and may choose not to reduce claims or reduce claims by only a portion of the potential savings identified, potential medical cost savings may not directly correlate with the amount of fees earned in connection with the processing of such claims. Components of Results of OperationsRevenuesWe generate revenues from several sources including: (i)Â Network-Based Services that process claims at a discount compared to billed fee-for-service rates and by using an extensive network, (ii)Â Analytics-Based Services that use our leading and proprietary information technology platform to offer customers solutions to reduce medical costs, and (iii) Payment and Revenue Integrity Services that use data, technology, and clinical expertise to identify improper, unnecessary and excessive charges. Payors typically compensate us through either aÂ PSAV achieved or a PEPM rate. Approximately 90% of revenue for the year ended December 31, 2023 was based on a PSAV achieved rate.29Costs of Services (exclusive of depreciation and amortization of intangible assets)Costs of services (exclusive of depreciation and amortization of intangible assets) consist of all costs specifically associated with claims processing activities for customers, sales and marketing, and the development and maintenance of our networks, analytics-based services, and payment and revenue integrity services. Two of the largest components in costs of services are personnel expenses and access and bill review fees. Access and bill review fees include fees for accessing non-owned third-party provider networks, expenses associated with vendor fees for database access and systems technology used to reprice claims, and outsourced services. Third-party network expenses are fees paid to non-owned provider networks used to supplement our owned network assets to provide more network claim savings to our customers.General and Administrative ExpensesGeneral and administrative expenses include corporate management and governance functions composed of general management, legal, treasury, tax, real estate, financial reporting, auditing, benefits and human resource administration, communications, public relations, billing, and information management. In addition, general and administrative expenses include taxes, insurance, advertising, transaction costs, and other general expenses.Depreciation ExpenseDepreciation expense consists of depreciation and amortization of property and equipment related to our investments in leasehold improvements, furniture and equipment, computer hardware and software, and internally generated capitalized software development costs. We provide for depreciation and amortization on property and equipment using the straight-line method to allocate the cost of depreciable assets over their estimated useful lives.Amortization of Intangible AssetsAmortization of intangible assets includes amortization of the value of our customer relationships, provider network, technology, and trademarks which were identified in valuing the intangible assets in connection with the JuneÂ 6, 2016 acquisition by Hellman & Friedman Capital Partners VIII, L.P. and its affiliates, as well as the subsequent acquisitions of BST, HST and DHP by the Company. Loss on Impairment of Goodwill and Intangible AssetsA loss on impairment is recorded in connection with the quantitative impairment testing of our goodwill and indefinite-lived intangibles and is performed annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable, and their fair value is less than their carrying value. Interest ExpenseInterest expense consists of accrued interest and related interest payments on our outstanding long-term debt and amortization of debt issuance costs and discounts. Interest IncomeInterest income consists primarily of bank interest.Gain on Extinguishment of DebtThe Company recognizes a gain on extinguishment of debt for the difference between the reacquisition price of the debt and the net carrying amount of the extinguished debt. Gain (Loss) on change in fair value of Private Placement Warrants and Unvested Founder SharesThe Company re-measures, at each reporting period, the fair value of the Private Placement Warrants and Unvested Founder Shares. The changes in fair value are primarily due to the change in the stock price of the Company's Class A common stock and the passage of time over that period.Income Tax Benefit Income tax benefit consists of federal, state, and local income taxes.30Non-GAAP Financial MeasuresWe use EBITDA, Adjusted EBITDA, and Adjusted EPS to evaluate our financial performance. EBITDA, Adjusted EBITDA, and Adjusted EPS are financial measures that are not presented in accordance with GAAP. We believe the presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our financial operating results of our core business.These measurements of financial performance have important limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Additionally, they may not be comparable to other similarly titled measures of other companies. Some of these limitations are:â€¢such measures do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;â€¢such measures do not reflect changes in, or cash requirements for, our working capital needs;â€¢such measures do not reflect the significant interest expense, or cash requirements necessary to service interest or principal payments on our debt;â€¢such measures do not reflect any cash requirements for any future replacement of depreciated assets;â€¢such measures do not reflect the impact of stock-based compensation upon our results of operations;â€¢such measures do not reflect our income tax (benefit) expense or the cash requirements to pay our income taxes;â€¢such measures do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; andâ€¢other companies in our industry may calculate these measures differently from how we do, limiting their usefulness as a comparative measure.In evaluating EBITDA, Adjusted EBITDA, and Adjusted EPS, you should be aware that in the future we may incur expenses similar to those eliminated in the presentation.EBITDA, Adjusted EBITDA, and Adjusted EPS are widely used measures of corporate profitability eliminating the effects of financing and capital expenditures from the operating results. We define EBITDA as net loss adjusted for interest expense, interest income, income tax (benefit) expense, depreciation, amortization of intangible assets, and non-income taxes. We define Adjusted EBITDA as EBITDA further adjusted to eliminate the impact of certain items that we do not consider to be indicative of our core business, including other expenses, net, (gain) loss on change in fair value of Private Placement Warrants and Unvested Founder Shares, transaction related expenses, (gain) loss on debt extinguishment, (gain) loss on investments, loss on impairment of goodwill and intangible assets, and stock-based compensation. See our unaudited condensed consolidated financial statements included in this Quarterly Report for more information regarding these adjustments. Adjusted EBITDA is used in our agreements governing our outstanding indebtedness for debt covenant compliance purposes. Our Adjusted EBITDA calculation is consistent with the definition of Adjusted EBITDA used in our debt instruments.Adjusted EPS is used in reporting to our Board and executive management and as a component of the measurement of our performance. We believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate earnings performance on a comparable year-to-year basis. Adjusted EPS is defined as net loss adjusted for amortization of intangible assets, stock-based compensation, transaction related expenses, (gain) loss on debt extinguishment, (gain) loss on investments, other expense, (gain) loss on change in fair value of Private Placement Warrants and Unvested Founder Shares, loss on impairment of goodwill and intangible assets, and tax effect of adjustments to arrive at Adjusted net income divided by our basic weighted average number of shares outstanding.31The following table presents a reconciliation of net loss to EBITDA and Adjusted EBITDA for the periods presented:Three Months Ended September 30,Nine Months Ended September 30,(in thousands)2024202320242023Net loss$(391,450)$(24,145)$(1,507,866)$(60,306)Adjustments:Interest expense81,792Â 84,300Â 245,119Â 250,203Â Interest income(1,245)(1,505)(2,722)(7,110)Benefit for income taxes (27,220)(6,875)(76,715)(14,977)Depreciation22,572Â 19,586Â 65,372Â 56,693Â Amortization of intangible assets85,971Â 85,971Â 257,913Â 256,724Â Non-income taxes515Â 669Â 1,623Â 1,672Â EBITDA$(229,065)$158,001Â $(1,017,276)$482,899Â Adjustments:Other expenses, net(1)1,517Â 521Â 2,584Â 759Â Integration expenses850Â 891Â 1,994Â 2,722Â Change in fair value of Private Placement Warrants and unvested founder shares(87)(2,127)(476)267Â Transaction-related expensesâ€”Â 269Â â€”Â 8,105Â Gain on extinguishment of debt â€”Â (10,129)(5,913)(46,907)Loss on impairment of goodwill and intangible assets361,612Â â€”Â 1,434,363Â â€”Â Stock-based compensation6,818Â 4,835Â 19,829Â 13,357Â Adjusted EBITDA$141,645Â $152,261Â $435,105Â $461,202Â (1) "Other expenses, net" represent miscellaneous non-recurring income, miscellaneous non-recurring expense, 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. ____________________Material differences between MultiPlan Corporation and MPH for the three and nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023 include differences in interest expense, income taxes, change in fair value of Private Placement Warrants and Unvested Founder Shares, gain on extinguishment of debt, and stock-based compensation. For the three and nine months ended SeptemberÂ 30, 2024, interest expense for MultiPlan Corporation was higher than MPH by $19.9Â million and $59.6Â million, respectively, due to interest expense incurred by MultiPlan Corporation on the Senior Convertible PIK Notes. For the three and nine months ended SeptemberÂ 30, 2023, interest expense for MultiPlan Corporation was higher than MPH by $20.1Â million and $61.2Â million, respectively, due to interest expense incurred by MultiPlan Corporation on the Senior Convertible PIK Notes. The change in fair value of Private Placement Warrants and Unvested Founder Shares, gain on extinguishment of debt, and stock-based compensation (excluding the employee stock purchase plan) are recorded in the parent company MultiPlan Corporation and not in the MPH operating company and therefore represent differences between MultiPlan Corporation and MPH. In the three and nine months ended SeptemberÂ 30, 2024, EBITDA expenses for MultiPlan Corporation were lower than MPH by $0.6Â million and $1.9Â million, respectively, primarily due to insurance premiums paid to our captive insurance company, net of related captive insurance company costs, which are eliminated in the consolidated financial reporting of MultiPlan Corporation. In the three and nine months ended SeptemberÂ 30, 2023, EBITDA expenses for MultiPlan Corporation were lower than MPH by $1.0Â million and $3.0Â million, respectively, primarily due to insurance premiums paid to our captive insurance company, net of related captive insurance company costs, which are eliminated in the consolidated financial reporting of MultiPlan Corporation.32The following table presents a reconciliation of net loss to Adjusted EPS for the periods presented:(in thousands, except share and per share amounts)Three Months Ended September 30,Nine Months Ended September 30,2024202320242023Net loss $(391,450)$(24,145)$(1,507,866)$(60,306)Adjustments:Amortization of intangible assets85,971Â 85,971Â 257,913Â 256,724Â Other expenses, net1,517Â 521Â 2,584Â 759Â Integration expenses850Â 891Â 1,994Â 2,722Â Change in fair value of Private Placement Warrants and unvested founder shares(87)(2,127)(476)267Â Transaction-related expensesâ€”Â 269Â â€”Â 8,105Â Gain on extinguishment of debt â€”Â (10,129)(5,913)(46,907)Stock-based compensation6,818Â 4,835Â 19,829Â 13,357Â Loss on impairment of goodwill and intangible assets361,612Â â€”Â 1,434,363Â â€”Â Estimated tax effect of adjustments(29,724)(20,334)(87,925)(58,059)Adjusted net income$35,507Â $35,752Â $114,503Â $116,662Â Weighted average shares outstanding â€“ Basic(1)16,143,52016,161,09516,139,52316,096,395Net loss per shareâ€‰â€“â€‰basic(24.25)(1.49)(93.43)(3.75)Adjusted EPS$2.20Â $2.21Â $7.09Â $7.25Â (1)Shares, common stock and additional paid-in capital 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. See Note 1 General Information and Basis of Accounting of the Notes to the unaudited condensed consolidated financial statements included in this Quarterly Report for additional information.Factors Affecting the Comparability of our Results of OperationsAs a result of a number of factors, our historical results of operations may not be comparable to our results of operations in future periods and may not be directly comparable from period to period. Set forth below is a brief discussion of the key factors impacting the comparability of our results of operations.Cyberattack on U.S. Healthcare InfrastructureIn first quarter 2024, there was a cyberattack on a critical piece of the U.S. healthcare infrastructure from a data security breach that disrupted claims flows upstream from our services. We believe this delayed the receipt of certain medical claims and contributed to lower medical claims volumes in first, second, and third quarter of 2024. BST AcquisitionOn May 8, 2023, the Company acquired BST, a company offering a next generation suite of solutions that apply modern methods of data science to produce descriptive, predictive and prescriptive analytics that enable customers to optimize decision-making about plan design and network configurations and to support decision-making to improve clinical outcomes, plan performance, and competitive positioning. The results of operations and financial condition of BST have been included in the Company's consolidated results from the date of acquisition. Acquired expenses from the acquisition of BST are included in costs of services and general and administrative expenses for the three and nine months ended SeptemberÂ 30, 2024.33Debt Repurchase and CancellationDuring the nine months ended SeptemberÂ 30, 2024, the Company repurchased and cancelled $21.1Â million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $5.9Â million, representing the difference between the purchase price including associated fees and the net carrying amount of the extinguished debt.During the nine months ended SeptemberÂ 30, 2023, the Company repurchased and cancelled $184.0 million of the 5.750% Notes, resulting in the recognition of a gain on debt extinguishment of $46.9 million, representing the difference between the purchase price including associated fees and the net carrying amount of the extinguished debt.In the year ended December 31, 2023, the Company repurchased and cancelled $184.0 million of the 5.750% Notes and $25.0 million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $46.9 million and $7.1 million, respectively. This gain on debt extinguishment represents the difference between the purchase price including associated fees and the net carrying amount of the extinguished debt.Results of Operations for the Three and Nine Months Ended SeptemberÂ 30, 2024 and 2023The following table provides the results of operations for the periods indicated:Three Months Ended September 30,ChangeNine Months Ended September 30,Change(in thousands)20242023$%20242023$%RevenuesNetwork-Based Services$46,153Â $56,828Â $(10,675)(18.8)%$138,031Â $171,171Â $(33,140)(19.4)%Analytics-Based

Services157,704Â 158,414Â (710)(0.4)%477,693Â 462,275Â 15,418Â 3.3Â %Payment and Revenue Integrity Services26,638Â 27,562Â (924)(3.4)%82,755Â 83,943Â (1,188)(1.4)%Total Revenues$230,495Â $242,804Â $(12,309)(5.1)%$698,479Â $717,389Â $(18,910)(2.6)%Costs of services (exclusive of depreciation and amortization of intangible assets shown below)60,825Â 60,949Â (124)(0.2)%182,271Â 174,806Â 7,465Â 4.3Â %General and administrative expenses37,725Â 36,779Â 946Â 2.6Â %107,133Â 107,996Â (863)(0.8)%Depreciation expense22,572Â 19,586Â 2,986Â 15.2Â %65,372Â 56,693Â 8,679Â 15.3Â %Amortization of intangible assets85,971Â 85,971Â â€"Â 0.0Â %257,913Â 256,724Â 1,189Â 0.5Â %Loss on impairment of goodwill and intangible assets361,612Â â€"Â 361,612Â NM1,434,363Â â€"Â 1,434,363Â NMOperating (loss) income(338,210)39,519Â (377,729)NM(1,348,573)121,170Â (1,469,743)NMInterest expense81,792Â 84,300Â (2,508)(3.0)%245,119Â 250,203Â (5,084)(2.0)%Interest income(1,245)(1,505)260Â 17.3Â %(2,722)(7,110)4,388Â 61.7Â %Gain on extinguishment of debtâ€"Â (10,129)10,129Â NM(5,913)(46,907)40,994Â 87.4Â %(Gain) loss on change in fair value of Private Placement Warrants and Unvested Founder Shares(87)(2,127)2,040Â (95.9)%(476)267Â (743)278.3Â %Net loss before taxes (418,670)(31,020)(387,650)NM(1,584,581)(75,283)(1,509,298)NMBenefit for income taxes (27,220)(6,875)(20,345)295.9Â %(76,715)(14,977)(61,738)412.2Â %Net loss $(391,450)$(24,145)$(367,305)NM$(1,507,866)$(60,306)$(1,447,560)NM_____________________NM = Not meaningful34RevenuesRevenues decreased by $12.3 million, or 5.1%, for the three months ended SeptemberÂ 30, 2024, as compared to the three months ended SeptemberÂ 30, 2023. This decrease in revenues was due to the decrease in Network-Based Services revenues of $10.7 million, the decrease in Analytics-Based Services revenues of $0.7 million, and the decrease in Payment and Revenue Integrity Services Revenues of $0.9 million during this time period.Revenues decreased by $18.9 million, or 2.6%, for the nine months ended SeptemberÂ 30, 2024, as compared to the nine months ended SeptemberÂ 30, 2023. This decrease in revenues was due to the decrease in Network-Based Services revenues of $33.1 million and the decrease in Payment and Revenue Integrity Services revenues of $1.2 million, offset by the increase in Analytics-Based Services revenues of $15.4 million during this time period, as explained below. Network-Based Services revenues decreased $10.7 million, or 18.8%, in the three months ended SeptemberÂ 30, 2024, as compared to the three months ended SeptemberÂ 30, 2023. Approximately $4.1 million of the decrease was primarily related to customer and program attrition, and approximately $6.6 million of the reduction was from lower medical savings on PSAV claims received from customers and substitution of Analytics-Based Services in lieu of Network-Based Services. These factors contributed to the decrease in Network-Based Services PSAV revenues of $7.6 million, the decrease in PEPM network revenues of $2.0 million, and the decrease in other network revenues of $1.1 million.Network-Based Services revenues decreased $33.1 million, or 19.4%, in the nine months ended SeptemberÂ 30, 2024, as compared to the nine months ended SeptemberÂ 30, 2023. Approximately $12.3 million of the decrease was primarily related to customer and program attrition, and approximately $20.8 million of the reduction was from lower medical savings on PSAV claims received from customers and substitution of Analytics-Based Services in lieu of Network-Based Services. Medical savings were impacted by reduced claims volumes from a cyberattack at a major claims clearinghouse, which disrupted claims flows across the healthcare industry and ultimately downstream to our platform. These factors contributed to the decrease in Network-Based Services PSAV revenues of $26.9 million and the decrease in PEPM network revenues of $5.9 million and the decrease in other network revenues of $0.3 million.Analytics-Based Services revenues decreased by $0.7 million, or 0.4%, for the three months ended SeptemberÂ 30, 2024, as compared to the three months ended SeptemberÂ 30, 2023. This decrease in revenue was primarily due to the decrease in Analytics-Based Services PSAV revenues of $1.0 million primarily related to customer and program attrition, offset by the increase in revenue from the increase in medical savings on PSAV claims. This decrease in PSAV revenues was offset by the increase in PEPM and other revenues of $0.3 million. Acquired revenues from BST increased by $0.4 million during this period. Analytics-Based Services revenues increased $15.4 million, or 3.3%, for the nine months ended SeptemberÂ 30, 2024, as compared to the nine months ended SeptemberÂ 30, 2023. This increase in revenues was primarily due to the increase in Analytics-Based Services PSAV revenues of $5.6 million as a result of increases in medical savings on PSAV claims, and the increase in PEPM and other revenues of $9.8 million, including an increase in acquired revenues of $5.9 million from the acquisition of BST.Payment and Revenue Integrity Services revenues decreased by $0.9 million, or 3.4%, for the three months ended SeptemberÂ 30, 2024, as compared to the three months ended SeptemberÂ 30, 2023. This decrease was primarily in our pre-payment lines of business, offset by increases in our post-payment and revenue integrity lines of business. The decrease in Payment and Revenue Integrity Services was primarily in our PSAV revenues which declined by $0.9 million.Payment and Revenue Integrity Services revenues decreased by $1.2 million, or 1.4%, for the nine months ended SeptemberÂ 30, 2024, as compared to the nine months ended SeptemberÂ 30, 2023. This decrease was primarily in our pre-payment lines of business, offset by increases in our post-payment and revenue integrity lines of business. The decrease in Payment and Revenue Integrity Services was primarily in our PSAV revenues which declined by $1.2 million.35Costs of Services (exclusive of depreciation and amortization of intangible assets)Three Months Ended September 30,ChangeNine Months Ended September 30,Change(in thousands)20242023$%20242023$%Personnel expenses excluding stock-based compensation$48,984Â $49,426Â $(442)(0.9)%$148,470Â $143,662Â $4,808Â 3.3Â %Stock-based compensation1,940Â 1,523Â 417Â 27.4Â %5,994Â 3,940Â 2,054Â 52.1Â %Personnel expenses including stock-based compensation50,924Â 50,949Â (25)0.0Â %154,464Â 147,602Â 6,862Â 4.6Â %Access and bill review fees5,772Â 4,698Â 1,074Â 22.9Â %15,343Â 14,497Â 846Â 5.8Â %Other costs of services4,129Â 5,302Â (1,173)(22.1)%12,464Â 12,707Â (243)(1.9)%Total costs of services $60,825Â $60,949Â $(124)(0.2)%$182,271Â $174,806Â $7,465Â 4.3Â %The decrease in costs of services of $0.1 million for the three months ended SeptemberÂ 30, 2024, as compared to the three months ended SeptemberÂ 30, 2023, was primarily due to net expense decreases in miscellaneous other costs of services that are not individually material, offset by increases in access and bill review fees, primarily in claims processing expenses. BST contributed $1.8 million to total costs of services for the three months ended SeptemberÂ 30, 2024, as compared to $1.2 million for the three months ended SeptemberÂ 30, 2023.The increase in costs of services of $7.5 million, for the nine months ended SeptemberÂ 30, 2024, as compared to the nine months ended SeptemberÂ 30, 2023, was primarily due to increases in personnel expenses of $6.9 million related to year-over-year increases in employee headcount, compensation, and stock-based compensation, including increases in personnel costs from the acquisition of BST of $2.9 million, offset by reductions in fringe benefit expenses. BST contributed $6.8 million to total costs of services in the nine months ended SeptemberÂ 30, 2024, as compared to $2.3 million for the nine months ended SeptemberÂ 30, 2023.General and Administrative ExpensesThree Months Ended September 30,ChangeNine Months Ended September 30,Change(in thousands)20242023$%20242023$%General and administrative expenses excluding stock-based compensation and transaction-related expenses$32,847Â $33,198Â $(351)(1.1)%$93,298Â $90,474Â $2,824Â 3.1Â %Stock-based compensation4,878Â 3,312Â 1,566Â 47.3Â %13,835Â 9,417Â 4,418Â 46.9Â %Transaction-related expensesâ€"Â 269Â (269)(100.0)%â€"Â 8,105Â (8,105)(100.0)%Total general and administrative expenses$37,725Â $36,779Â $946Â 2.6Â %$107,133Â $107,996Â $(863)(0.8)%The increase in general and administrative expenses of $0.9 million for the three months ended SeptemberÂ 30, 2024, as compared to the three months ended SeptemberÂ 30, 2023 was primarily due to the increase in stock-based compensation of $1.6 million. The decrease in general and administrative expenses excluding stock-based compensation and transaction-related expenses, of $0.4 million was primarily due to a $6.8 million increase in capitalized software development and decreases in miscellaneous other expenses that are not individually material, partially offset by increases in personnel expenses excluding stock-based compensation of $4.1 million and increases in professional fees of $2.4 million.BST contributed $1.1 million to total general and administrative expenses for the three months ended SeptemberÂ 30, 2024, as compared to $4.4 million for the three months ended SeptemberÂ 30, 2023. This decrease in BST general and administrative expenses is primarily due to increases in capitalized software development and to reductions in BST acquired general and administrative expenses and transfers of certain expenses to costs of services as BST is integrated into the organization.The increase in general and administrative expenses of $0.9 million for the nine months ended SeptemberÂ 30, 2024, as compared to the nine months ended SeptemberÂ 30, 2023 was primarily due to the decrease in transaction costs of $8.1 million, partially offset by increases in stock-based compensation of $4.4 million and increases in other general and administrative expenses excluding stock-based compensation and transaction-related expenses of $2.8 million. This $2.8 million increase was primarily due to increases in personnel expenses, excluding stock-based compensation, of $18.8 million, increases in 36professional fees of $6.3 million, and increases in equipment lease and maintenance expenses of $3.0 million, partially offset by increases in capitalized software development of $24.6 million, and decreases in other net general and administrative expenses of $0.8 million that are not individually material. The increase in personnel expenses of $18.8 million primarily related to year-over-year increases in employee headcount, compensation, and related fringe benefits, including increases in BST personnel expenses of $3.5 million. BST contributed $3.4 million to total general and administrative expenses in the nine months ended SeptemberÂ 30, 2024, as compared to $5.9 million for the nine months ended SeptemberÂ 30, 2023. This decrease in BST general and administrative expenses is primarily due increases in capitalized software development and to reductions in BST acquired general and administrative expenses and transfers of certain expenses to costs of services as BST is integrated into the organization.Depreciation ExpenseThe increases in depreciation expenses of $3.0 million, or 15.2%, and $8.7 million, or 15.3%, for the three and nine months ended SeptemberÂ 30, 2024, respectively, as compared to the three and nine months ended SeptemberÂ 30, 2023, were due to purchases of property and equipment, including internally generated capitalized software, partially offset by assets that were written-off or became fully depreciated in the period.Amortization of Intangible AssetsThe increase in amortization of intangible assets for the nine months ended SeptemberÂ 30, 2024 as compared to the nine months ended SeptemberÂ 30, 2023 was primarily due to the acquisition of BST and the intangibles acquired in the transaction. Loss on Impairment of Goodwill and Intangible AssetsFor the three and nine months ended SeptemberÂ 30, 2024, in connection with quantitative impairment testing performed on our goodwill and indefinite-lived intangibles, we recorded a loss on impairment of goodwill and indefinite-lived intangibles of $361.6 million and $1,434.4 million, respectively. The loss on impairment of goodwill and intangible assets was primarily due to the use of lower projected cash flows and lower EBITDA multiples.Interest Expense The decrease in interest expense of $2.5 million and $5.1 million, for the three and nine months ended SeptemberÂ 30, 2024, respectively, as compared to the three and nine months ended SeptemberÂ 30, 2023 were primarily due to reductions in interest expense due to the swap rate agreements reducing our total interest on the Term Loan B for the three and nine months ended SeptemberÂ 30, 2024, and to a lower debt balances primarily due to the repurchase and cancellation of our 5.750% Notes in 2023 and Senior Convertible PIK Notes in 2023 and 2024. Our annualized weighted average cash interest rate decreased by 0.18% across our total debt in the nine months ended SeptemberÂ 30, 2024 as compared to the nine months ended SeptemberÂ 30, 2023.As of SeptemberÂ 30, 2024, our long-term debt was $4,510.2 million and included (i)Â a $1,272.0 millionÂ Term Loan B, excluding the current portion of Term Loan B of $13.3 million, (ii) $1,050.0 million of 5.50% Senior Secured Notes, (iii)Â $979.8 million of 5.750% Notes, (iv)Â $1,253.9 millionÂ of Senior Convertible PIK Notes, and net of (v) a discount on Term Loan B of $7.9 million, (vi) a discount on Senior Convertible PIK Notes of $15.2 million, and (vii)Â debt issue costs of $22.5 million. As of DecemberÂ 31, 2023, our long-term debt was $4,532.7 million and included (i)Â a $1,281.9 millionÂ Term Loan B, excluding the current portion of Term Loan B of $13.3 million, (ii) $1,050.0 million of 5.50% Senior Secured Notes, (iii) $979.8 million of 5.750% Notes, (iv)Â $1,275.0 millionÂ of Senior Convertible PIK Notes, and net of (v) a discount on Term Loan B of $9.3 million, (vi) a discount on Senior Convertible PIK Notes of $18.8 million, and (vii)Â debt issue costs of $25.9 million. As of SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023, our total debt had an annualized weighted average cash interest rate of 6.79% and 6.97%, respectively. As of DecemberÂ 31, 2023, our total debt had a weighted average cash interest rate of 6.83%.Interest IncomeThe decreases in interest income of $0.3 million and $4.4 million for the three and nine months ended SeptemberÂ 30, 2024, respectively, as compared to the three and nine months ended SeptemberÂ 30, 2023 were primarily due to less interest earned on interest bearing bank accounts resulting from lower average invested cash and cash equivalents balances.37Gain on extinguishment of debtDuring the nine months ended SeptemberÂ 30, 2024, the Company repurchased and cancelled $21.1 million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $5.9Â million, representing the difference between the reacquisition price of the debt and the net carrying amount of the extinguished debt. During the nine months ended SeptemberÂ 30, 2023, the Company repurchased and cancelled $184.0 million of the 5.750% Notes, resulting in the recognition of a gain on debt extinguishment of $46.9 million, representing the difference between the purchase price including associated fees and the net carrying amount of the extinguished debt.Change in fair value of Private Placement Warrants and Unvested Founder Shares The Company re-measures the fair value of the Private Placement Warrants and Unvested Founder Shares at each reporting period. From DecemberÂ 31, 2023 to SeptemberÂ 30, 2024, the fair value of the Private Placement Warrants decreased by $0.2 million and the fair value of the Unvested Founder Shares decreased by $0.3 million. The decrease was primarily due to the decrease in the stock price of the Company's Class A common stock and the passage of time over that period.Benefit for income taxes Net loss before income taxes for the three months ended SeptemberÂ 30, 2024 of $418.7 million generated a benefit for income taxes of $27.2 million. Net loss before income taxes for the three months ended SeptemberÂ 30, 2023 of $31.0 million generated a benefit for income taxes of $6.9 million. Net loss before income taxes for the nine months ended SeptemberÂ 30, 2024 of $1,584.6 million generated a benefit for income taxes of $76.7 million. Net loss before income taxes for the nine months ended SeptemberÂ 30, 2023 of $75.3 million generated a benefit for income taxes of $15.0 million. The effective tax rate for the nine months ended SeptemberÂ 30, 2024 differed from the statutory rate primarily due to stock compensation expense, limitations on executive compensation, non-deductible goodwill impairment, and state taxes. The effective tax rate for the nine months ended SeptemberÂ 30, 2023 differed from the statutory rate primarily due to stock-based compensation expense, non-deductible mark-to-market liability, non-deductible transaction costs due to the BST acquisition and state tax expense.Liquidity and Capital ResourcesAs of SeptemberÂ 30, 2024, we had cash and cash equivalents of $97.2 million, which includes restricted cash of $10.6 million. As of SeptemberÂ 30, 2024, we had $442.1 million of loan availability under the revolving credit facility. As of SeptemberÂ 30, 2024, we had four letters of credit totaling $7.9 million of utilization against the revolving credit facility. Three letters of credit are used to satisfy real estate lease agreements for three of our offices in lieu of security deposits in the amount of $1.8 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023. The Company also has an irrevocable letter of credit to satisfy the obligations of a subsidiary in the amount of $6.1 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023. On February 27, 2023, the Board approved a share repurchase program authorizing the Company to repurchase up to $100.0 million of its Class A common stock from time to time in open market transactions. The repurchase program was effective immediately and expires on DecemberÂ 31, 2024. As of SeptemberÂ 30, 2024, the Company has repurchased its Class A common stock as part of this program using cash on hand for an aggregate amount of $25.6 million including commissions, of which $10.4Â million was spent during the nine months ended SeptemberÂ 30, 2024.Our primary sources of liquidity are internally generated funds combined with our borrowing capacity under our revolving credit facility. We believe these sources will provide sufficient liquidity for us to meet our working capital and capital expenditure and other cash requirements for the next twelveÂ months and a least through the current maturities of our debt starting in 2027. We may from time to time at our sole discretion, purchase, redeem, or retire our long-term debt, through tender offers, in privately negotiated or open market transactions or otherwise. We plan to finance our capital expenditures with cash from operations. Furthermore, our future liquidity and future ability to fund capital expenditures, working capital, and debt requirements are also dependent upon our future financial performance, which is subject to many economic, commercial, financial, and other factors that are beyond our control, including the ability of financial institutions to meet their lending obligations to us. If those factors significantly change, our business may not be able to generate sufficient cash flow from operations or future borrowings may not be available to meet our liquidity needs. We anticipate that to the extent we require additional liquidity as a result of these factors or in order to execute our strategy, it would be financed either by borrowings under our senior secured credit facilities, by other indebtedness, additional equity financings, or a combination of the foregoing. We may be unable to obtain any such additional financing on reasonable terms or at all.38Cash Flow SummaryThe following table is derived from our unaudited condensed consolidated statements of cash flows:Nine Months Ended September 30,(in thousands)20242023Net cash flows provided by (used in):Operating activities$141,029Â $144,018Â Investing activities$(87,689)$(218,449)Financing activities$(37,666)$(158,514)For the nine months ended SeptemberÂ 30, 2024 as compared to the nine months ended SeptemberÂ 30, 2023Cash Flows from Operating ActivitiesCash flows from operating activities decreased by $3.0Â million, or 2.1%, primarily due to lower earnings once adjusted for non-cash items, partially offset by favorable changes in working capital. Changes in our working capital requirements reflect the increase in accrued taxes and the decrease in the current value of our cash flow derivatives, partially offset by an increase in our trade receivables and other assets. Cash Flows from Investing ActivitiesNet cash used in investing activities decreased $130.8Â million, or 59.9%, as compared to the prior-year period, primarily due to the acquisition of BST during the prior-year period. Cash Flows from Financing ActivitiesNet cash used in financing activities decreased $120.8Â million, or 76.2%, as compared to the prior-year period, primarily due to lower repurchases of debt instruments by $120.1Â million.Term Loans and RevolversOn AugustÂ 24, 2021, MPH issued new senior secured credit facilities composed of $1,325.0Â million of Term Loan B and $450.0Â million of Revolver B.Interest on Term Loan B and Revolver B is calculated, at MPH's option, as (a)Â Term SOFR (or, with respect to the term loan facility only, 0.50%, if higher), plus the applicable SOFR adjustment, plus the applicable margin, or (b)Â the highest rate of (1)Â the prime rate, (2)Â the federal funds effective rate, plus 0.50%, (3)Â the Term SOFR for an interest period of one month, plus the applicable SOFR adjustment, plus 1.00% and (4)Â 0.50% for Term Loan B and 1.00% for Revolver B, in each case, plus an applicable margin of 4.25% for Term Loan B and between 3.50% and 4.00% for Revolver B, depending on MPH's first lien debt to consolidated EBITDA ratio. The interest rate in effect for Term Loan B was 9.57% as of SeptemberÂ 30, 2024.Prior to July 1, 2023, the London Interbank Offered Rate was used to calculate the interest on Term Loan B and Revolver B. The Company is exposed to interest rate risk on its floating rate debt. On September 12, 2023, the Company entered into interest rate swap agreements with a total notional value of $800.0 million to effectively convert a portion of its floating rate debt to a fixed-rate basis of 4.59% as a weighted-average across the three swaps. The interest rate swap agreements are effective AugustÂ 31, 2023 and mature on AugustÂ 31, 2026. The Company entered into these agreements to eliminate or reduce the volatility of the cash flows in interest payments associated with the Company's floating rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. The Company's interest rate swaps are highly effective at offsetting the changes in cash outflows and therefore designated as cash flow hedging instruments. The blended rate for Term 39Loan B factoring in the effect of the interest rate swap agreements was 9.41% as of SeptemberÂ 30, 2024 and 9.53% as of December 31, 2023.Term Loan B matures on September 1, 2028 and Revolver B matures on August 24, 2026. We are obligated to pay a commitment fee on the average daily unused amount of our revolving credit facility. The annual commitment fee rate was 0.50% at SeptemberÂ 30, 2024 and 0.50% at SeptemberÂ 30, 2023. The fee can range from an annual rate of 0.25% to 0.50% based on our consolidated first lien debt to consolidated EBITDA ratio, as defined in the agreement. Senior NotesOn October 8, 2020, the Company issued $1,300.0 million in aggregate principal amount of Senior Convertible PIK Notes. The Senior Convertible PIK Notes were issued with a 2.5% discount with a maturity date of October 15, 2027. The Senior Convertible PIK Notes are convertible into shares of Class A common stock based on a $520.00 conversion price, subject to customary anti-dilution adjustments. The interest rate on the Senior Convertible PIK Notes is fixed at 6% in cash and 7% in kind, and is payable semi-annually on April 15 and October 15 of each year. On October 29, 2020, the Company issued $1,300.0 million in aggregate principal amount of the 5.750% Notes. The 5.750% Notes are guaranteed on a senior unsecured basis jointly and severally by the Company and its subsidiaries and have a maturation date of November 1, 2028. The 5.750% Notes were issued at par. The interest rate on the 5.750% Notes is fixed at 5.750%, and the interest is payable semi-annually on May 1 and November 1 of each year. On AugustÂ 24, 2021 MPH issued $1,050.0Â million in aggregate principal amount of 5.50% Senior Secured Notes with a maturation date of September 1, 2028. The interest rate on the 5.50% Senior Secured Notes is fixed at 5.50%, and is payable semi-annually on March 1 and September 1 of each year. The 5.50% Senior Secured Notes are guaranteed and secured as described below under "Guarantees and Security".During the nine months ended SeptemberÂ 30, 2024, the Company repurchased and cancelled $21.1Â million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $5.9Â million.During the nine months ended September 30, 2023, the Company repurchased and cancelled $137.8Â million of the 5.750% Notes, resulting in the recognition of a gain on debt extinguishment of $46.9Â million.Debt Covenants and Events of DefaultWe are subject to certain affirmative and negative debt covenants under the debt agreements governing our indebtedness that limit our and/or certain of our subsidiaries' ability to engage in specific types of transactions. These covenants limit our and/or certain of our subsidiaries' ability to, among other things:â€¢incur additional indebtedness or issue disqualified or preferred stock;â€¢pay certain dividends or make certain distributions on capital stock or repurchase or redeem capital stock;â€¢make certain loans, investments, or other restricted payments;â€¢transfer or sell certain assets;â€¢incur certain liens;â€¢place restrictions on the ability of its subsidiaries to pay dividends or make other payments to us;â€¢guarantee indebtedness or incur other contingent obligations;â€¢prepay junior debt and make certain investments;â€¢consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or dispose of all or substantially all of its businessÂ units, assets or other properties; andâ€¢engage in transactions with our affiliates.40Certain covenants related to the 5.50% Senior Secured Notes will cease to apply to the 5.50% Senior Secured Notes if such notes have investment grade ratings from both Moodyâ€™s Investors Service, Inc. and S&P Global Ratings.The Revolver Ratio is such that, if, as of the last day of any fiscal quarter of MPH, the aggregate amount of loans under the revolving credit facility, letters of credit issued under the revolving credit facility (to the extent not cash collateralized or backstopped or, in the aggregate, in excess of $10.0 million) and swingline loans are outstanding and/or issued in an aggregate amount greater than 35% of the total commitments in respect of the revolving credit facility at such time, the revolving credit facility will require MPH to maintain a maximum first lien secured leverage ratio of 6.75 to 1.00. Our consolidated first lien debt to consolidated EBITDA ratio was 3.82 times, 3.63 times, and 3.70 times as of SeptemberÂ 30, 2024, SeptemberÂ 30, 2023, and DecemberÂ 31, 2023, respectively.As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 we were in compliance with all of the debt covenants. The debt agreements governing the senior secured credit facilities, the 5.750% Notes and the 5.50% Senior Secured Notes contain customary events of default, subject to grace periods and exceptions, which include, among others, payment defaults, cross-defaults to certain material indebtedness, certain events of bankruptcy, material judgments, in the case of the debt agreements governing the senior secured credit facilities and the 5.50% Senior Secured Notes, failure of a guarantee on the liens on material collateral to remain in effect, in the case of the debt agreements governing the senior secured credit facilities, any change of control. Upon the occurrence of an event of default under such debt agreements, the lenders and holders of such debt will be permitted to accelerate the loans and terminate the commitments, as applicable, thereunder and exercise other specified remedies available to the lenders and holders thereunder.On September 10, 2024, the Company announced that it is exploring ways to ensure its capital structure enables the Company to operate as efficiently and sustainably as possible and is in discussions with several MultiPlan debt holders to establish a capital structure that will help the Company facilitate its transformation into a data and technology-forward company focused on improving transparency, quality, and affordability in healthcare.See the footnotes to the EBITDA and Adjusted EBITDA reconciliation table provided above under â€œNon-GAAP Financial Measuresâ€ for material differences between the financial information of MultiPlan and MPH. Guarantees and SecurityAll obligations under the debt agreements governing the senior secured credit facilities and the 5.50% Senior Secured Notes are unconditionally guaranteed by MPH Acquisition Corp. 1, the direct holding company parent of MPH, and each existing and subsequently acquired or organized direct or indirect wholly owned U.S. organized restricted subsidiary of MPH (subject to certain exceptions). All such obligations, and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by a first priority lien shared between the senior secured credit facilities and the 5.50% Senior Secured Notes on substantially all of MPHâ€™s and the subsidiary guarantorsâ€™ tangible and intangible property, and a pledge of all of the capital stock of each of their respective subsidiaries.Critical Accounting Policies and EstimatesIn preparing our Unaudited Condensed Consolidated Financial Statements, we are required to make judgments, assumptions, and estimates, which we believe are reasonable and prudent based on the available facts and circumstances. These judgments, assumptions and estimates affect certain of our revenues and expenses and their related balance sheet accounts and disclosure of our contingent liabilities. We base our assumptions and estimates primarily on historical experience and consider known and projected trends. On an ongoing basis, we re-evaluate our selection of assumptions and the method of calculating our estimates. Actual results, however, may materially differ from our calculated estimates, and this difference would be reported in our current operations. For a detailed description of our critical accounting estimates, see â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€ in Part II, Item 7 in our 2023 Annual Report. For a detailed discussion of our significant accounting policies, see Note 2 of Notes to the Consolidated Financial Statements in Part II, Item 8, â€œFinancial Statements and Supplementary Dataâ€ in our 2023 Annual Report. Customer ConcentrationThree customers individually accounted for 25%, 22% and 8% of revenues for the year ended December 31, 2023. The loss of the business of one or more of our larger customers could have a material adverse effect on our results of operations. For further discussion on our customer concentration, please refer to Item 1A. â€œRisk Factorsâ€ in our 2023 Annual Report.41Recent Accounting PronouncementsSee Note 1 General Information and Basis of Accounting of the Notes to the unaudited condensed consolidated financial statements included in this Quarterly Report for additional information.Quantitative and Qualitative Disclosure About Market RiskSee Item 3. Quantitative and Qualitative Disclosure about Market Risk below.Internal Controls Over Financial ReportingFor further information on the Companyâ€™s internal controls over financial reporting see Item 4. Controls and Procedures. Item 3. Quantitative and Qualitative Disclosures About Market RiskReference is made to our 2023 Annual Report and in particular Item 7A.â€œQuantitative and Qualitative Disclosure about Market Riskâ€ therein. As of SeptemberÂ 30, 2024, there were no material changes in the market risks described in our 2023 Annual Report.Item 4. Controls and ProceduresEvaluation of Disclosure Controls and ProceduresUnder the supervision and with the participation of our management, including the Companyâ€™s principal executive officer and principal financial and accounting officer, the Company conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial and accounting officers have concluded that, as of SeptemberÂ 30, 2024, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officers, as appropriate, to allow timely decisions regarding required disclosures.Changes in Internal Control Over Financial ReportingThere has been no change in our internal control over financial reporting during the three months ended SeptemberÂ 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Companyâ€™s internal control over financial reporting.Inherent Limitations on Effectiveness of ControlsManagement recognizes that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected. 42Part II - Other InformationItem 1. Legal ProceedingsWe are a defendant in various lawsuits and other pending and threatened litigation and other adversarial matters as well as regulatory investigations, all of which have arisen in the ordinary course of business. While the ultimate outcome with respect to such proceedings cannot be predicted with certainty, we believe they will not have a material adverse effect on our financial condition or results of operations.Item 1A. Risk FactorsOther than as set forth below, there have been no material changes during the three months ended SeptemberÂ 30, 2024 to the risk factors previously disclosed in Item 1A. â€œRisk Factorsâ€ in the Company's 2023 Annual Report.We completed a 1-for-40 reverse stock split of our shares of common stock, which may have adverse effects on the trading of our common stock.On March 28, 2024, we received a notice from the New York Stock Exchange (the â€œNYSEâ€) that we were no longer in compliance with Section 802.01C of the NYSE Listed Company Manual (â€œSection 802.01Câ€), which requires listed companies to maintain an average closing price per share of at least $1.00 over a 30 consecutive trading-day period. On August 6, 2024, at a Special Meeting of Stockholders our stockholders approved, and on September 20, 2024 we effected, a 1-for-40 reverse stock split (the â€œReverse Stock Splitâ€), and our common stock began trading on a split-adjusted basis on September 23, 2024. On September 30, 2024, we received a letter from the NYSE stating that we regained compliance with Section 802.01C. However, the effect that the Reverse Stock Split will have on the market price of our common stock cannot be predicted with certainty, and if our common stock again does not maintain an average closing price per share of at least $1.00 over a 30 consecutive trading-day period, we would receive another notice of non-compliance from the NYSE and would be provided a period of six months from the date of such notice to regain compliance with Section 802.01C. There can be no assurance that the per share price of our common stock will continue to meet the price criteria or other requirements for continued listing of our common stock on the NYSE.We operate in a litigious environment which may adversely affect our financial results. We may, and in the past have, become involved in legal actions and claims arising in the ordinary course of business, including litigation regarding employment matters, breach of contract, violations of laws and regulations, and other commercial matters. Further, we are the subject of government investigations from time to time. Due to the inherent uncertainty in the litigation process, the resolution of any particular legal proceeding could result in changes to our products and business practices and could have a material adverse effect on our financial position and results of operations.Healthcare providers have become more resistant to the use of cost management techniques and are engaging in litigation to avoid application of cost management practices. Litigation brought by healthcare providers as well as client members has challenged insurers' claims adjudication and reimbursement decisions, and healthcare cost management providers, such as MultiPlan, are sometimes made party to such suits or involved in related litigation. Further, MultiPlan may be, and has been in the past, made party to such lawsuits or litigation may be brought independently against MultiPlan under various legal bases, including, breach of contract, misrepresentation, unjust enrichment, antitrust, or violations of

ERISA or RICO, and may be made under other legal bases or theories in the future. Such litigation is increasingly brought involving multiple parties, multiple claims or on a class-wide basis. We and our subsidiaries have and may, in the future, become involved in such litigation. For example, and relating to litigation on the basis of alleged violation of antitrust laws, the Company has been named in numerous federal lawsuits, including putative class action lawsuits, asserting that, among other things, the Company is conspiring with commercial health insurance payors to suppress out of network reimbursements in violation of applicable antitrust law. These lawsuits were initially filed in various venues, including the Southern District of New York, the Northern District of Illinois, and the Northern District of California, naming the Company and, in certain cases, certain payors, as defendants. The lawsuits have now been centralized in the Northern District of Illinois pursuant to a transfer order issued by the federal Judicial Panel on Multidistrict Litigation and assigned to the Honorable Matthew F. Kennelly. The Court has ordered consolidated complaints to be filed by November 18, 2024, with motion to dismiss briefing to follow. We believe these lawsuits are without merit and intend to vigorously defend the Company.Because we operate in an industry that is highly-regulated and where such regulations are continuously evolving, we cannot assure you that new federal and state laws and regulations or other changes that adversely impact healthcare providers or insurers will not lead to increased litigation risk to us and other cost management providers and insurers. Exacerbating this risk 43is that many healthcare providers and insurers have greater financial resources than us and other healthcare cost management providers have and may be more willing to engage in, and devote resources to, litigation as a result. In addition, certain of the agreements we enter into include indemnification provisions that may subject us to costs and damages in the event of a claim against an indemnified party. We maintain insurance coverage for certain types of claims; however, such insurance coverage may not apply or may be insufficient to cover all losses or all types of claims that may arise. Further, even if we were to prevail in any particular dispute, litigation could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.Lawsuits of the types set out above could materially adversely affect our result, especially if they proliferate. In addition, such lawsuits may affect our customers' use of our products and services, especially our cost management products and services.Item 5. Other Information (a)Â Â Â Â During the three months ended SeptemberÂ 30, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement." Item 6. ExhibitsIncorporated by ReferenceExhibit NumberDescriptionFormFile No.ExhibitFiling DateFiled Herewith3.1Certificate of Amendment to Second Amended and Restated Certificate of Incorporation of MultiPlan Corporation filed September 20, 2024.8-K001-392283.1September 20, 202410.1Transition Letter, dated July 31, 2024, between MultiPlan Corporation and James Head.8-K001-3922810.1August 1, 202410.2Employment Agreement, dated July 31, 2024, between MultiPlan Corporation and Douglas Garis.8-K001-3922810.2August 1, 202431.1Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13-a - 14(a) and 15-d-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002X31.2Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13-a - 14(a) and 15-d-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002X32.1Certification of Principal Executive Officer Pursuant to 18 U.S.C. of Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002X32.2Certification of Principal Financial Officer Pursuant to 18 U.S.C. of Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002X101The following financial information from MultiPlan Corporation's Quarterly Report on Form 10-Q for the nine months ended SeptemberÂ 30, 2024 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Unaudited Condensed Consolidated Balance Sheets, (ii) Unaudited Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss), (iii) the Unaudited Condensed Statements of Changes in Stockholders' Equity, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Condensed Consolidated Financial Statements.X104Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)X44SIGNATUREPursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned hereunto duly authorized.Dated: NovemberÂ 6, 2024MULTIPLAN CORPORATIONBy:/s/ Doug M. Garis Doug M. GarisExecutive Vice President and Chief Financial Officer45DocumentEXHIBIT 31.1CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002I, Travis Dalton, certify that:1.I have reviewed this quarterly report on Form 10-Q of MultiPlan Corporation;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Date: NovemberÂ 6, 2024/s/ Travis DaltonTravis DaltonChief Executive Officer(Principal Executive Officer)DocumentEXHIBIT 31.2CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002I, Douglas M. Garis, certify that:1.I have reviewed this quarterly report on Form 10-Q of MultiPlan Corporation;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Date: NovemberÂ 6, 2024/s/ Douglas M. GarisDouglas M. GarisChief Financial Officer(Principal Financial Officer)DocumentEXHIBIT 32.1CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of MultiPlan Corporation (the â€œCompanyâ€) on Form 10-Q for the period ended SeptemberÂ 30, 2024, as filed with the Securities and Exchange Commission (the â€œReportâ€), I, Travis Dalton, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Â§1350, as added by Â§906 of the Sarbanes-Oxley Act of 2002, that:1.The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and2.To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Dated: NovemberÂ 6, 2024/s/ Travis DaltonTravis DaltonChief Executive Officer(Principal Executive Officer)DocumentEXHIBIT 32.2CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of MultiPlan Corporation (the â€œCompanyâ€) on Form 10-Q for the period ended SeptemberÂ 30, 2024, as filed with the Securities and Exchange Commission (the â€œReportâ€), I, Douglas M. Garis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Â§1350, as added by Â§906 of the Sarbanes-Oxley Act of 2002, that:1.The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and2.To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Dated: NovemberÂ 6, 2024/s/ Douglas M. GarisDouglas M. GarisChief Financial Officer(Principal Financial Officer)