# J.P. Morgan 2022 Virtual Healthcare Conference

January 2022

progyny
Smarter Fertility Benefits

# Safe Harbor Statement

Forward-Looking Statements

This presentation includes forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to management. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding our positioning to successfully manage the ongoing impact of COVID-19, including variants, and the associated economic uncertainty on our business; the timing of client decisions; our financial outlook for the fourth quarter and full year 2021, including our expected utilization rates and mix; our ability to retain existing clients and acquire new clients; and our business strategy, plans, goals and expectations concerning our market position, future operations, and other financial and operating information, including our topline growth and margin expansion. The words "may," "believes," "intends," "seeks," "anticipates," "plans," "estimates," "expects," "should," "assumes," "continues," "could," "will," "future," "project," and the negative of these or similar terms and phrases are intended to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks include, without limitation, risks related to the ongoing impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays and cancellations of fertility procedures and other impacts to the business; failure to meet our publicly announced guidance or other expectations about our business; competition in the market in which we operate; our history of operating losses and ability to sustain profitability in the future; our limited operating history and the difficulty in predicting our future results of operations; our ability to attract and retain clients and increase the adoption of services within our client base; the loss of any of our largest client accounts; changes in the technology industry; changes in the health insurance market; negative publicity in the health benefits industry; lags, failures or security breaches in our computer systems or those of our vendors; a significant change in the utilization of our solutions; our ability to offer high-quality support; positive references from our existing clients; our ability to develop and expand our marketing and sales capabilities; the rate of growth of our future revenues; the accuracy of the estimates and assumptions we use to determine the size of target markets; our ability to successfully manage our growth; unfavorable conditions in our industry or the United States economy, such as conditions resulting from outbreaks of contagious diseases, including COVID-19 and variants; reductions in employee benefits spending; seasonal fluctuations in our sales; the adoption of new solutions and services by our clients or members; our ability to innovate and develop new offerings; our ability to adapt and respond to the medical landscape, regulations, client needs, requirements or preferences; our ability to maintain and enhance our brand; our ability to attract and retain members of our management team, key employees, or other qualified personnel; our ability to maintain our company culture; our ability to maintain our Center of Excellence network of healthcare providers; our strategic relationships with and monitoring of third parties; our ability to maintain or any disruption of our pharmacy distribution network; our relationship with key pharmacy program partners or any decline in rebates provided by them; our ability to maintain our relationships with benefits consultants; exposure to credit risk from our members; risks related to government regulation; risks related to potential sales to government entities; our ability to protect our intellectual property rights; risks related to any litigation against us; risks related to acquisitions, strategic investments, partnerships, or alliances; federal tax reform and changes to our effective tax rate; the imposition of state and local state taxes; our ability to utilize a significant portion of our net operating loss or research tax credit carryforwards; our ability to develop or maintain effective internal control over financial reporting and the increased costs of operating as a public company. For a detailed discussion of these and other risk factors, please refer to our filings with the Securities and Exchange Commission (the "SEC"), including in the section entitled "Risk Factors" in our Annual Report on Form 10-Q for the fiscal quarter ended September 30, 2021, and subsequent reports that we file with the SEC which are available at http://investors.progyny.com and on the SEC's website at https://www.sec.gov.

Forward-looking statements represent our management's beliefs and assumptions only as of the date of our November 4, 2021 press release and are not being confirmed or updated herein. Our actual future results could differ materially from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons. Actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Non-GAAP Financial Measures

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation and the accompanying tables include the non-GAAP financial measures Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA and Adjusted EBITDA margin are supplemental financial measures that are not required by, or presented in accordance with, GAAP. We believe that Adjusted EBITDA and Adjusted EBITDA margin, when taken together with our GAAP financial results, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA and Adjusted EBITDA margin are helpful to our investors as they are measures used by management in assessing the health of our business, determining incentive compensation, evaluating our operating performance, and for internal planning and forecasting purposes.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of Adjusted EBITDA include: (1) it does not properly reflect capital commitments to be paid in the future; (2) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures; (3) it does not consider the impact of stock-based compensation expense; (4) it does not reflect other non-operating expenses, including other income and interest (income) expense, net; (5) it does not reflect tax payments that may represent a reduction in cash available to us; and (6) it does not include legal fees associated with a vendor arbitration. In addition, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner as we calculate the measure, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net income from continuing operations and other GAAP results.

We calculate Adjusted EBITDA as net income, adjusted to exclude depreciation and amortization; stock-based compensation expense; other income; interest (income) expense, net; provision for income taxes; and legal fees associated with a vendor arbitration. We calculate Adjusted EBITDA margin as Adjusted EBITDA divided by revenue. Please see "Reconciliation of GAAP to Non-GAAP Financial Measures" in the appendix of this presentation.

# Progyny's Investment Thesis

- The fertility market is:
  - Large and rapidly growing
  - Supported by multiple tailwinds
  - Resilient during the pandemic
- Despite this, the market has been poorly served by the managed care providers

- Progyny fills the gaps unaddressed by the traditional carriers, producing:
  - Better outcomes
  - Happier employees
  - More efficient use of employers' healthcare spend

- We have a six-year trend since inception of strong top-line growth and margin expansion, with positive EBITDA and a high rate of cash flow conversion
- We are at a very early stage of penetrating our addressable market

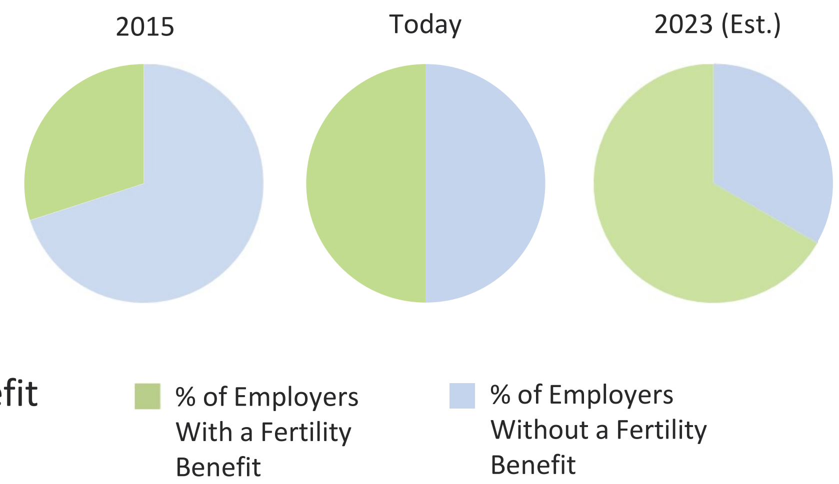
Progyny has strengthened its competitive advantages to become the **brand of choice** among large, self-insured employers

# Fertility Market Growth at 9.4% CAGR[1] over last 10 Years

Growth of 9.4% CAGR[1] in Assisted Reproductive Technology cycles has been aided by ongoing favorable tailwinds:

- Over the last ten years, people deferring family building:
  - Natural birth rates declining at 1.1% CAGR[2]
    - Birth rates for women 15 to 34 declined at 1.7% CAGR[2]
    - Birth rates for women 35+ increased at 2.2% CAGR[2]
  - Average age of a woman using fertility services is 36[1]
  - Fueling need for fertility preservation
- Employers increasingly beginning to offer some form of fertility benefit
  - Coverage in most cases is limited and, in many cases, exhausted prior to achieving a successful outcome
- Alternative paths to pregnancy more common

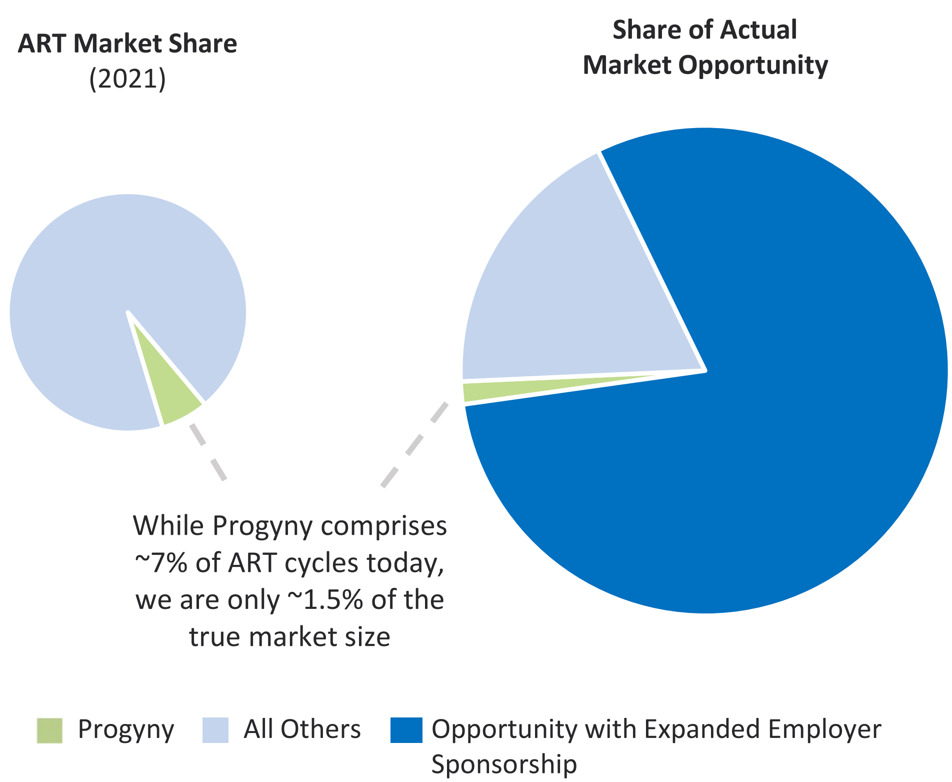
**Percent of Large Employers with a Fertility Benefit[3]**




1. CDC, 2019 National Summary and Clinic Data Sets, published in 2021, and 2010 National Summary and Clinic Data Sets, published in 2012
2. National Vital Statistic Reports, National Center for Health Statistics, 2021 and 2012 (vol 70 no 2 and vol 61 no 1, respectively)
3. 3rd party studies from Mercer and Willis Towers Watson

# The Fertility Marketplace Potential

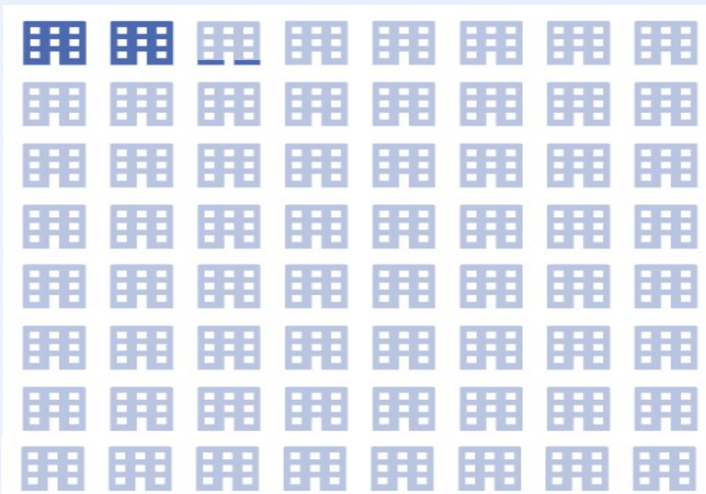
- Infertility is a highly prevalent disease, affecting 1 in 8 couples, or 12.5%, of the population in child-bearing years
- The current size of the fertility market has been understated because of insufficient employer sponsorship
- Only 2% of US babies are from assisted reproductive technologies
  - Compares to 10% in other countries with broad coverage in fertility services
- Progyny has been helping to grow the overall market by expanding access to high quality care



# Despite Our Rapid Growth, We Remain in Earliest Stages of Penetrating our Core Market

## Large, Self-Insured Employers

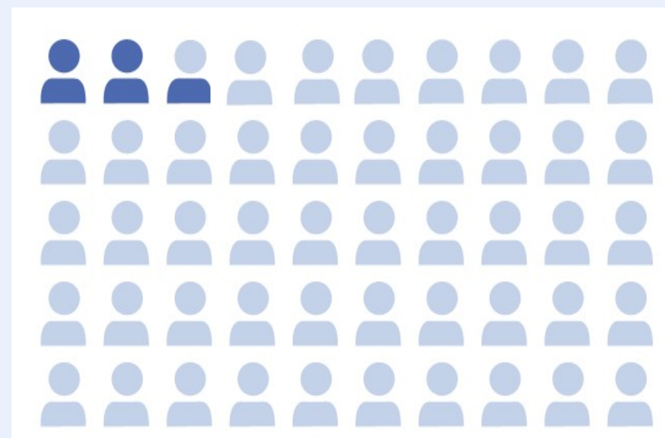
- There are 8,000 companies in the US with at least 1,000 employees
- Only **~3%** are our clients today



*Note: each icon represents 125 companies*

## Covered Lives

- The companies in our target market represent ~75M covered lives
- We have **~5%** of those under contract



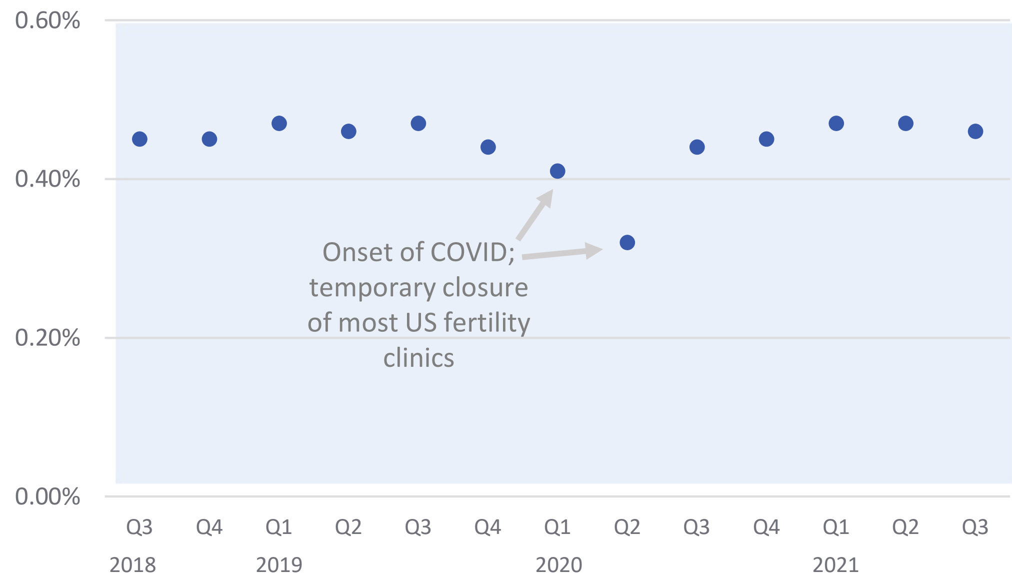
*Note: each icon represents 1.5M covered lives*

# Progyny Member Utilization Resilient During COVID

- As compared to other areas of healthcare, Progyny's utilization rates largely recovered sooner and with more velocity, due to:
  - The time sensitive nature of treatment
  - The resilience of fertility patients in their desire to pursue care

**Progyny's Quarterly Female Utilization Rate**

Consistent range of utilization in all but two of the past thirteen quarters



# Progyny Was Built to Solve Gaps in Fertility Coverage

Traditional carriers and other alternatives continue to fall short:

**Inferior pregnancy success rates** in fertility

**High medical costs** from preventable IVF-related **high-risk pregnancies** and **multiple births**

**Patient stress**, **mental health costs** and **employee absenteeism** due to inadequate or unsupported fertility journeys

**Inequity** and **lack of inclusion** in the company's fertility benefits

**Poor recruitment** and **retention** due to poor family building benefits

# Progyny Redefined the Market

Progyny redefined fertility benefit management by leading with the member experience, partnering with world class providers, managing all aspects of a comprehensive solution, and delivering superior outcomes - at scale!

**Coordinated Member Experience**

- Flexible, easy to understand Smart Cycle design, including coverage for the latest technologies, to support diverse family-building needs
- Integrated pharmacy solution
- High-touch, high support, extensive education

**Active Network Management**

- Rigorous inclusion standards
- Data-driven active provider management

**Proven and Predictable Outcomes**

- Industry-leading superior clinical outcomes since our inception
- Medical and pharmacy savings
- Multiples and high-risk maternity cost avoidance

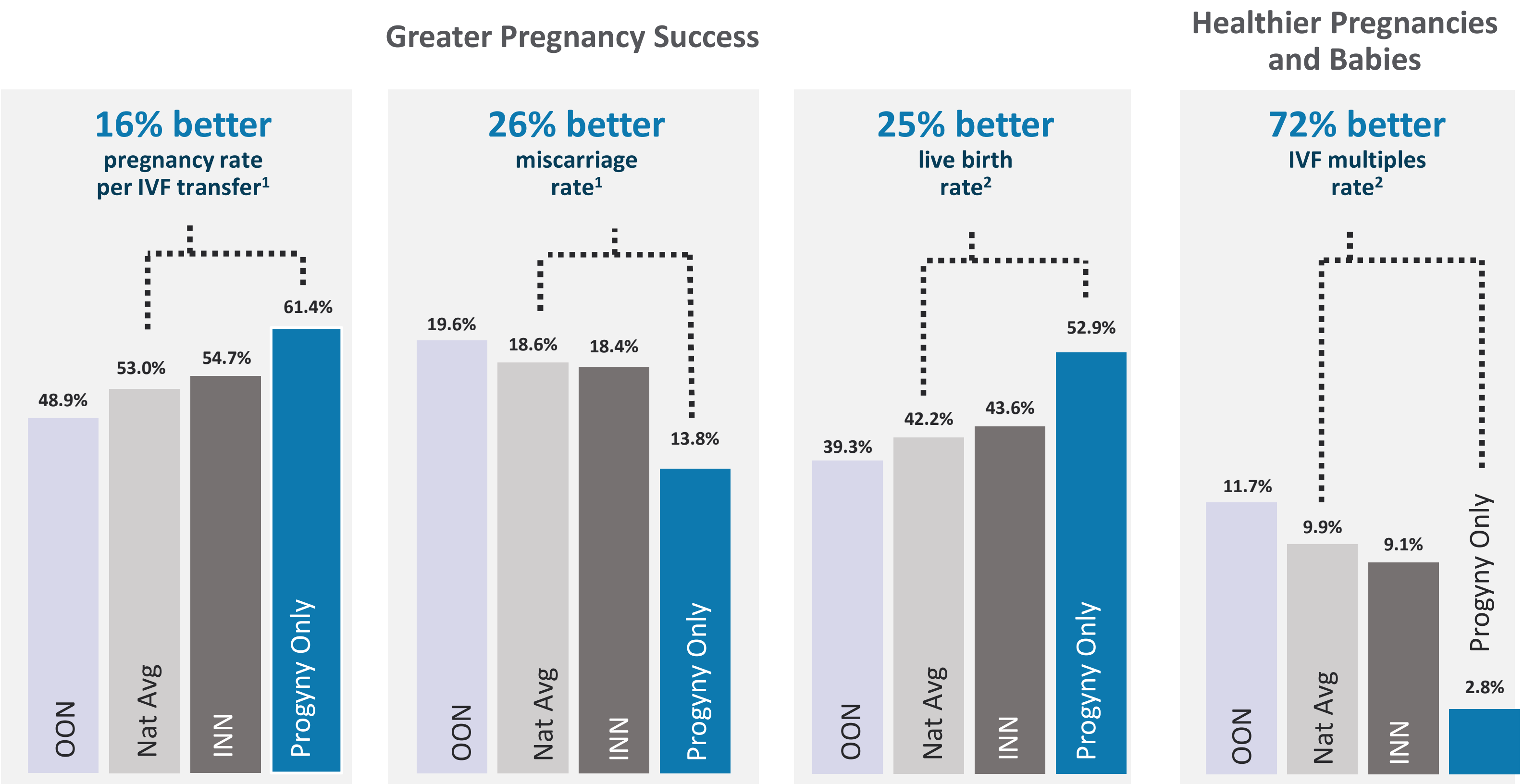
**Powered by Data**

- Data-driven decision making across all aspects of solution
- Detailed, transparent quarterly and annual reporting

Net Promoter Score
+81

Progyny is the only fully-managed fertility solution and no competitor has all these elements in their program

# Progyny Leads the Market in Patient Outcomes




- Outcomes vary considerably by clinic
- Although our In-Network clinics perform slightly better than national averages, our plan design and benefit management are lifting those averages
- Outcomes at Out-of-Network clinics are meaningfully below the national averages
- Progyny patients experience superior outcomes because our solution provides the right doctors with the right tools, and gives patients the necessary support

Out of network clinic average | National Average | In-network clinic average for all patients (includes non-Progyny patients at clinic) | Only Progyny Patients

Note: Progyny represents Progyny in-network provider clinic averages for Progyny members only based on the 12-month period ended December 31, 2020. For each Progyny outcome presented, the p-value when compared to the national average is <0.0001.

[1] Calculated based on the Society for Assisted Reproductive Technology, or SART, 2018 National Summary Report, finalized in 2021

[2] Calculated based on CDC, 2019 National Summary and Clinic Data Sets, published in 2021

# The Value Created by Favorable Outcomes

### Healthier pregnancies

Greater success of pregnancy

Members get pregnant faster and more often

Fewer treatments

**Treatment cost savings**

### Better Rx experience

Fewer treatments require less medication

~20% Rx unit cost savings

~10% waste management savings

**Medication cost savings**

### Healthier babies

Fewer NICU stays due to low birth weight

Fewer C-sections

Reduced readmissions: bronchiolitis, RSV, jaundice, etc.

**Multiples cost avoidance**

### Happier, more supported employees

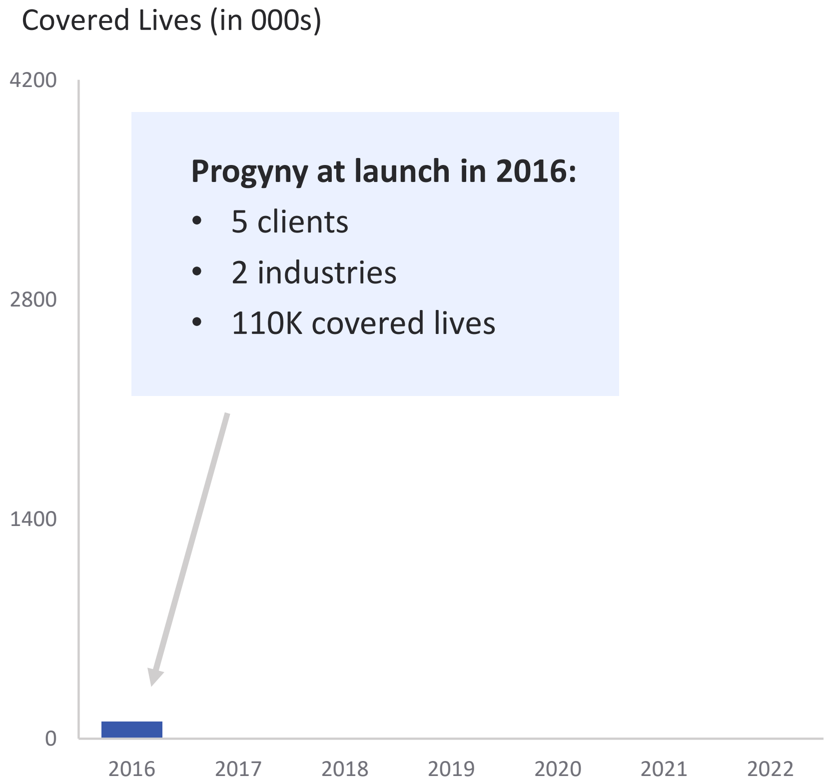
Reduced stress due to supported journey

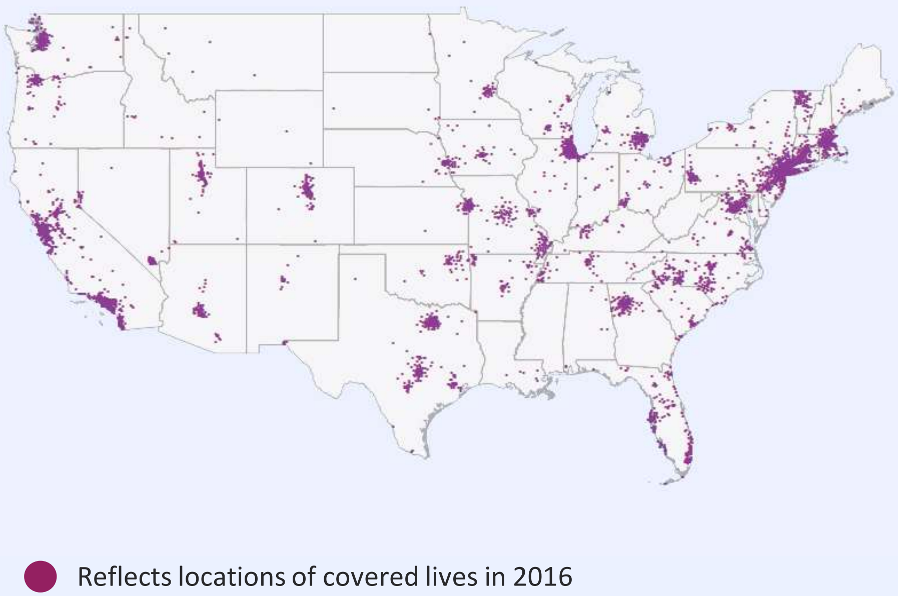
Fewer treatments and appointments

Less time spent navigating options alone

**Increased productivity**

# Progyny Has Become the Provider of Choice for Fertility Benefits Management



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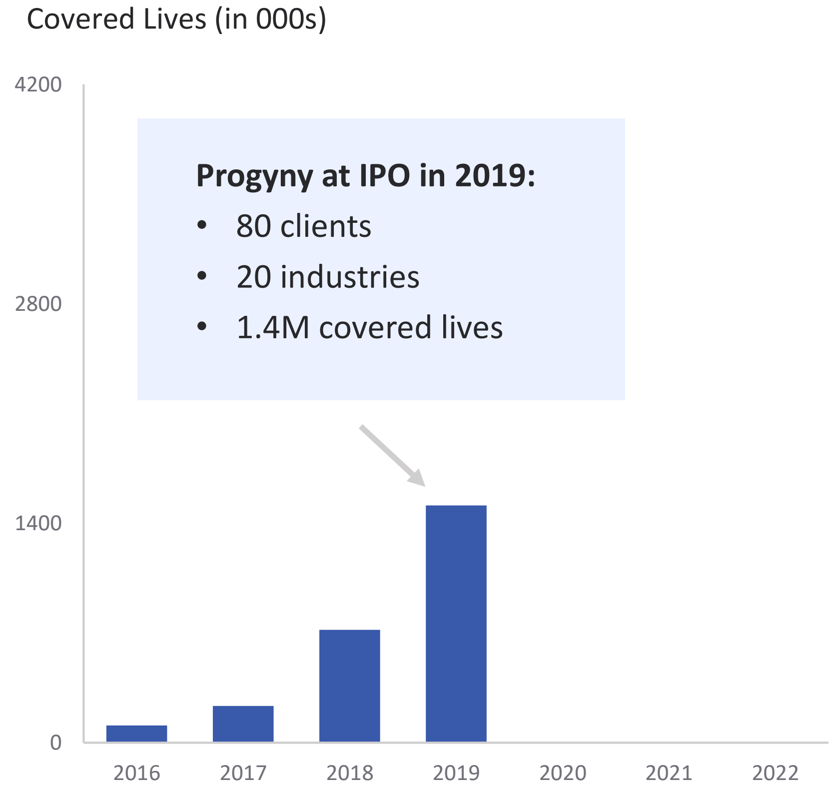
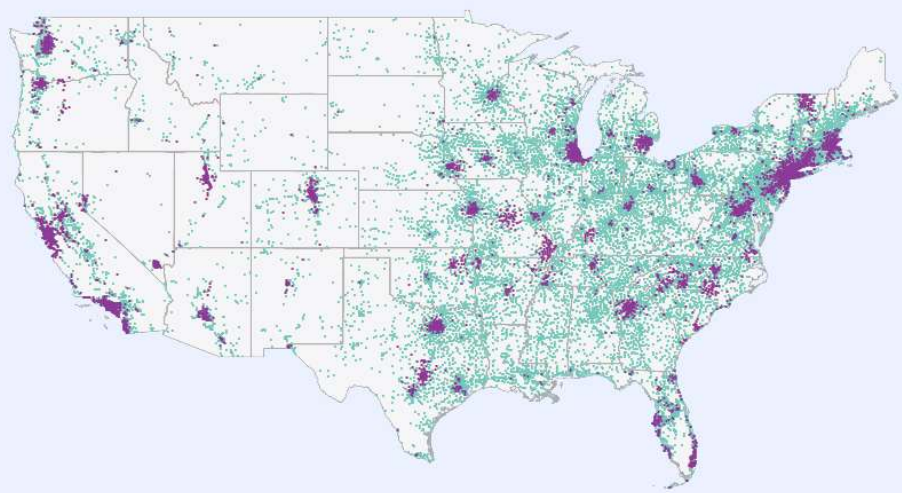



**Progyny at IPO in 2019:**

- 80 clients
- 20 industries
- 1.4M covered lives

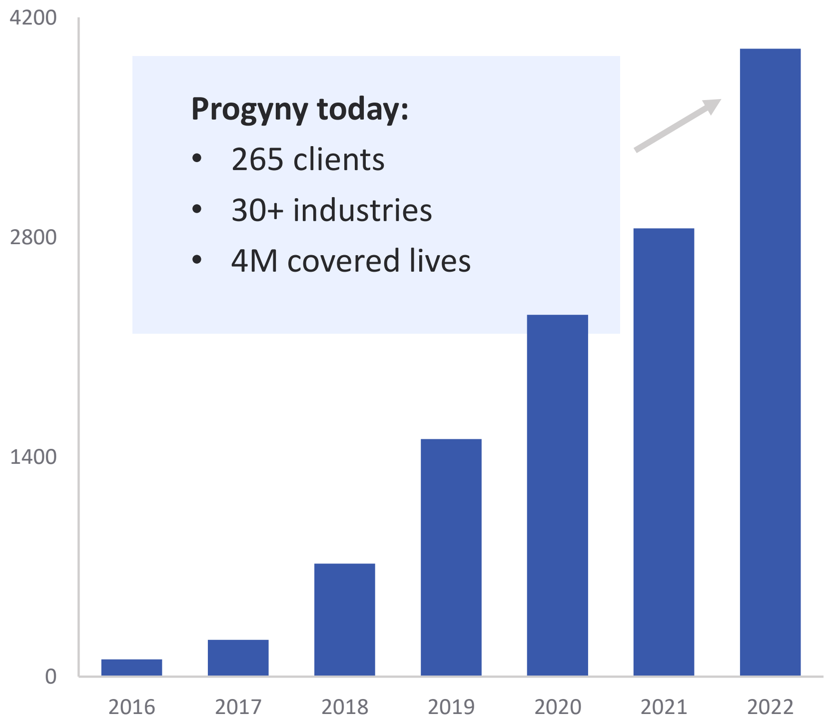


Reflects locations of covered lives in 2016

Reflects incremental locations of covered lives added from 2017 - 2019

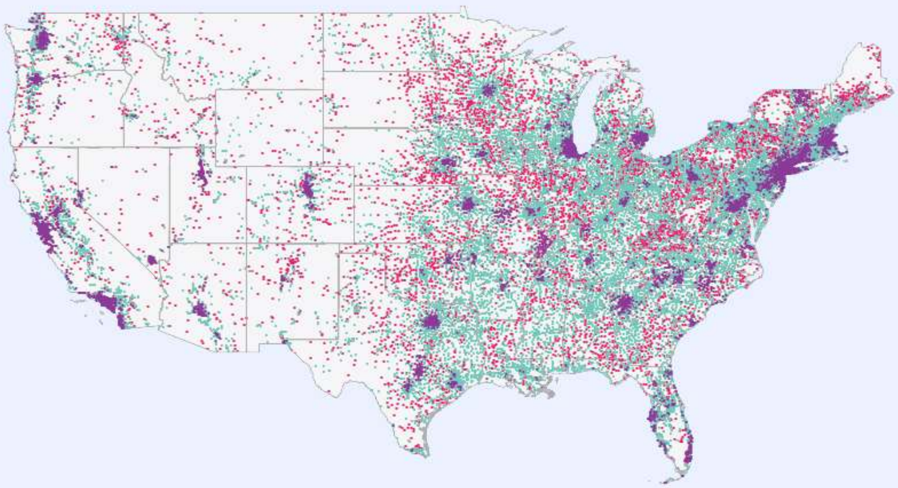
# Progyny Has Become the Provider of Choice for Fertility Benefits Management

Covered Lives (in 000s)




**Progyny today:**

- 265 clients
- 30+ industries
- 4M covered lives



- Reflects locations of covered lives in 2016
- Reflects incremental locations of covered lives added from 2017 - 2019
- Reflects incremental locations of covered lives added from 2020 - 2022

# Our Growing List of Clients Reflects the Universal Need for Fertility

We have built a significantly diversified client base, reflecting a broad-cross section in terms of:

- Company sizes
- Number of industries
- Geographic locations

Unilever | Google | THE BOSTON BEER COMPANY INC. | Microsoft | MassMutual | 3M

UBER | Roche | COX ENTERPRISES | Cerner | HERSHEY | akerman

PayPal | ALSTOM | Teleflex | Genentech A Member of the Roche Group | News Corp | PHILLIPS 66

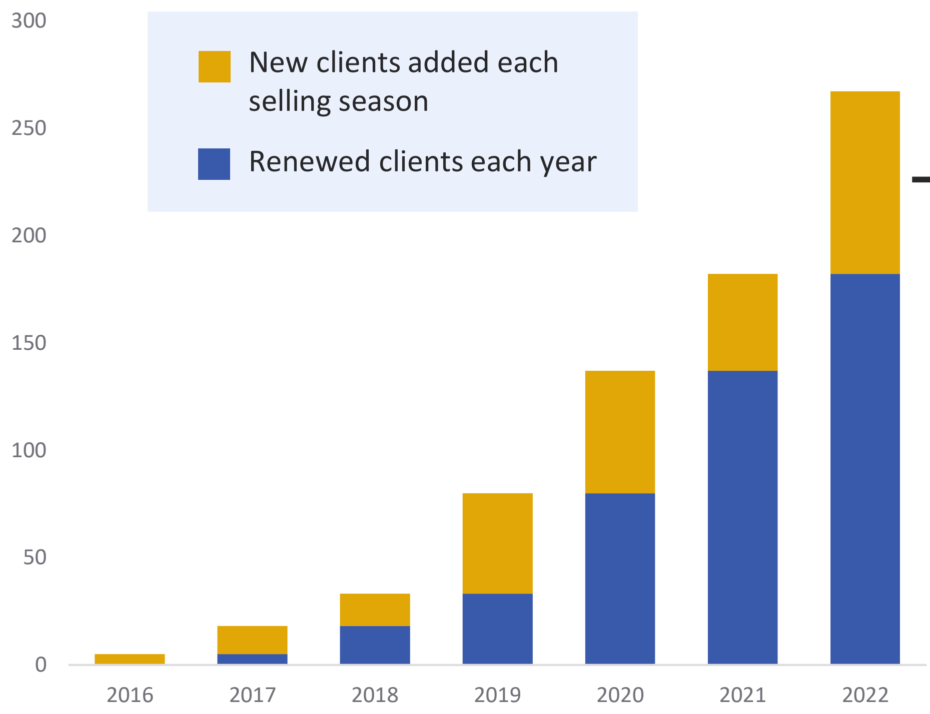
teva | Lincoln Financial Group | KIPP TEXAS PUBLIC SCHOOLS | Dropbox | illumina | cadence

UNDER ARMOUR | CLEARY GOTTLIEB | Peraton | Tyson | CHG Healthcare | CONVOY

rbi restaurant brands international | CooperCompanies | DOMO | Save the Children | Deltek | METRO NASHVILLE PUBLIC SCHOOLS

# Success with New Client Acquisition and Retention

## Client Adds Each Selling Season




Record **85 new clients** added for 2022, representing **1.2M new covered lives**

## Client Retention

We have consistently achieved a **near 100%** client retention each year

# Expansion Opportunities with Existing Clients

We have multiple pathways to grow with our existing clients:

**Via organic growth:**

- Many of our clients continue to expand their workforce, adding to our covered lives

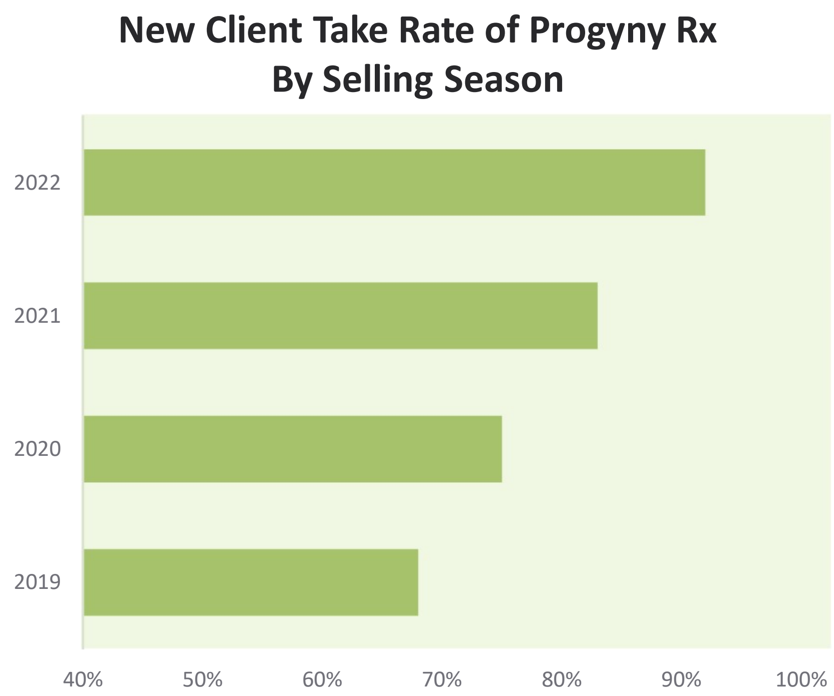
**Via the upselling of new services:**

- **One-third** of our clients added services for 2022, including:
  - Progyny Rx
  - More Smart Cycles
  - Surrogacy and adoption reimbursement

# Progyny Rx Launched in 2018

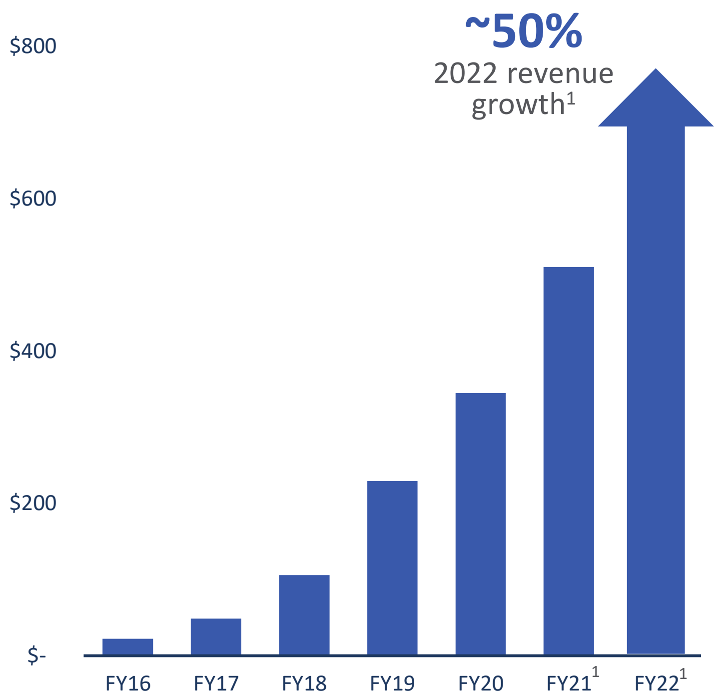
**For every client who takes Progyny Rx, the revenue opportunity is 50% bigger**

- Integrated pharmacy experience with single authorization
- Avoids missed or delayed treatment cycles
- White glove service reduces anxiety of medication administration and storage
- Provides significant specialty medication savings



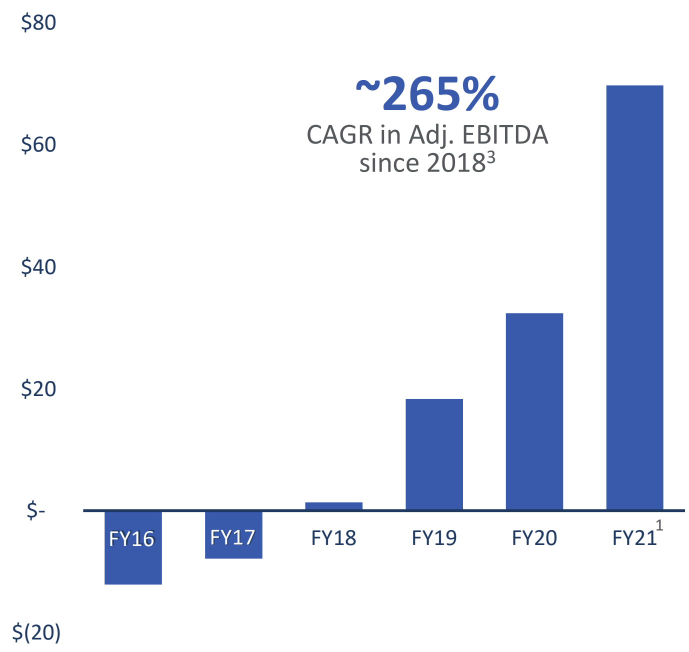
# We are Scaling the Business Rapidly and Profitably

## Revenue ($mm)



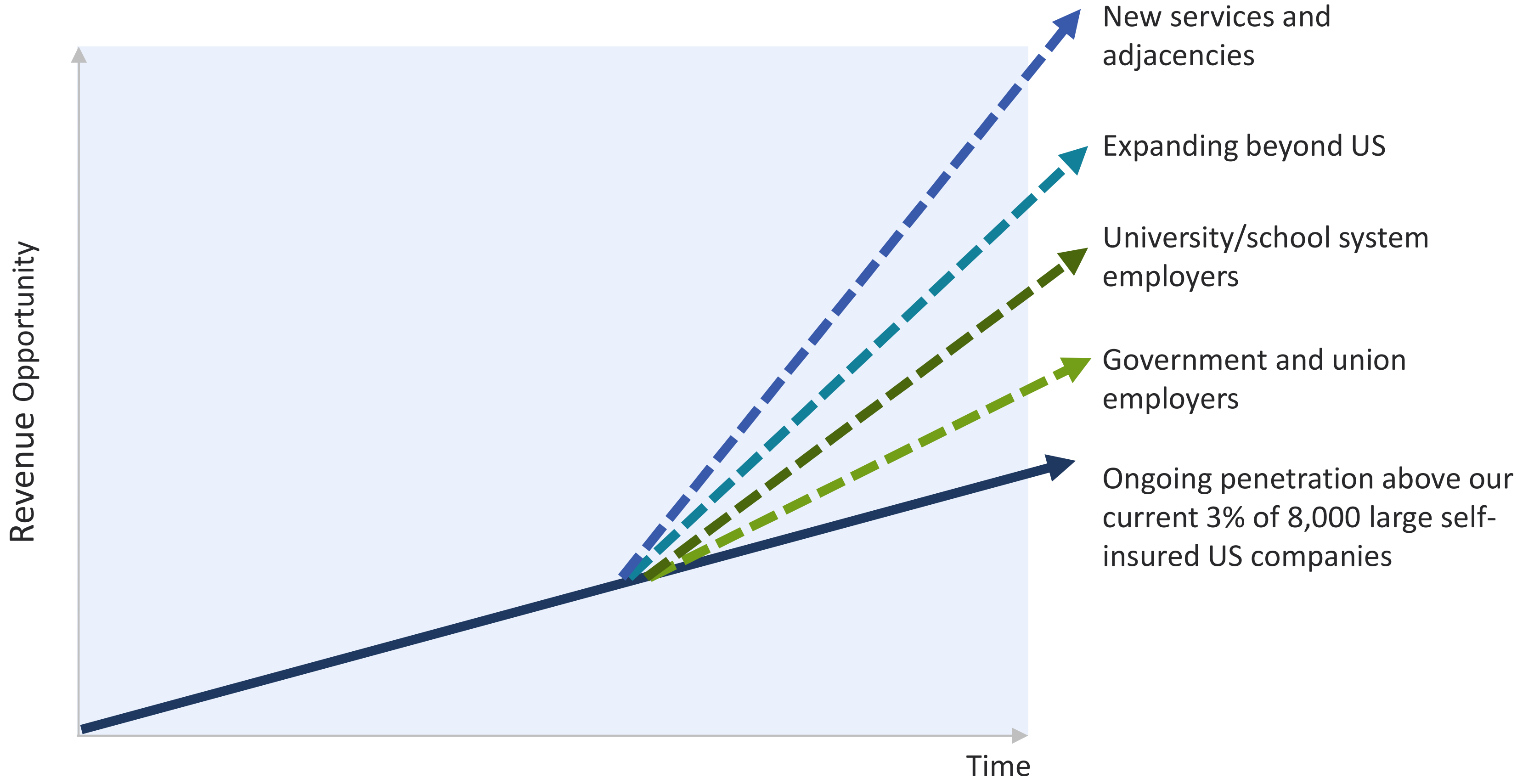

- Strong rate of revenue growth
- Nearly 100% client retention
- Profitable today with expanding margins
- Highly scalable platform
- Positive cash flow provided by operating activities

## Adjusted EBITDA[2] ($mm)




1. As per the press release issued as of November 4, 2021
2. See appendix for a reconciliation of Adjusted EBITDA
3. CAGR calculated using the midpoint of the range as per the press release issued as of November 4, 2021

# Significant Runway for Ongoing Growth



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# Appendix: Reconciliation of GAAP to Non-GAAP Financial Measures

| (in thousands) | Year Ended December 31, 2016 | 2017 | 2018 | 2019 | 2020 | Reconciliation of Anticipated Net Income to Anticipated Adjusted EBITDA for the Year Ended December 31, 2021[1] Low | High |
|---|---|---|---|---|---|---|---|
| **Net (loss) income from continuing operations** | $ (11,833) | $ (12,456) | $ (5,116) | $ (8,569) | $ 46,459 | $ 51,500 | $ 54,100 |
| Add: | | | | | | | |
| Depreciation and amortization | 1,700 | 1,559 | 1,883 | 2,135 | 1,906 | 1,400 | 1,300 |
| Stock-based compensation expense | 728 | 1,559 | 2,997 | 5,061 | 12,821 | 31,100 | 30,600 |
| Other (income) expense, net | 1,065 | 740 | 497 | 58 | (331) | (300) | (300) |
| Convertible preferred stock warrant valuation adjustment | (741) | 714 | 2,944 | 18,176 | - | - | - |
| Provision (benefit) for income taxes | (3,028) | (3) | (1,777) | 12 | (37,780) | (14,700) | (15,200) |
| Settlement cost and legal fees associated with a vendor arbitration | - | - | - | 1,319 | 9,318 | - | - |
| Non-deferred IPO Costs | - | - | - | 150 | - | - | - |
| **Adjusted EBITDA** | $ (12,109) | $ (7,887) | $ 1,428 | $ 18,342 | $ 32,393 | $ 69,000 | $ 70,500 |

1. Reflects the guidance ranges provided in our November 4, 2021 press release and is as of November 4, 2021; Net income and Adjusted EBITDA ranges do not reflect any estimate for other potential activities and transactions, nor do they contemplate any discrete income tax items, including the income tax impact related to equity compensation activity.