First Quarter 2026 Earnings Conference Call

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Craig Gracey, Vice President & Chief Accounting Officer, Investor Relations

Thank you. Good afternoon. Welcome to Omada Health's first quarter 2026 earnings conference call. Joining me today are Sean Duffy, our Co-Founder and CEO; Wei-Li Shao, our President; and Steve Cook, our CFO.

Before we begin, I'd like to note that we will be discussing non-GAAP financial measures that we consider helpful in evaluating Omada's performance. You can find details on how these relate to our GAAP measures, along with the reconciliations, in the press release that is available on our website.

We will also make forward-looking statements based on our current expectations and assumptions, which are subject to risks and uncertainties, including factors listed in our press release and in the Risk Factors found in our filings with the SEC. Actual results could differ materially, and we assume no obligation to update these forward-looking statements.

With that, I'll turn the call over to Sean.

Sean Duffy, Co-Founder and CEO

Thank you, Craig. Good afternoon, everyone, and thank you for joining us.

Q1 2026 was a milestone quarter for Omada. Here is our financial snapshot compared to a year ago: 42% revenue growth with a lower net loss and positive adjusted EBITDA, with a higher gross margin, and a guidance raise.

Setting Up the Call

Our business is largely driven by four growth levers; let me explain the importance of each: **expanding reach** — the total lives with benefits coverage for our programs through channel and employer relationships; **increasing enrollment** — how effectively we convert those covered lives into multi-condition members; **deepening engagement** — through advancements in our member experience including our AI-powered food and behavior platform that includes OmadaSpark and Meal Map; and **operational efficiency** — the AI, clinical model, and operational investments designed to improve outcomes and margins as we scale.

I'll walk through the headlines across all four levers. Wei-Li will then take you inside the platform — into the operational and commercial detail behind reach, enrollment, and engagement. Steve will walk through the financial picture, including our updated outlook. And I'll come back at the end to bring it all together.

The Headlines

The headline of the quarter is reach. In Q1, we saw the new investments in our GLP-1 capabilities begin to demonstrate traction. Omada is proud to join Optum Rx's Weight Engage portfolio to help employers expand responsible, clinically supported access to GLP-1 and other anti-obesity medications through their existing pharmacy benefit manager. This collaboration marks Omada's first offering of prescribing capabilities within a PBM channel, reflecting our shared commitment to improving coordinated care for employers and members. Omada now has relationships with the nation's leading pharmacy benefit managers, who serve most commercially insured lives and process 80% of prescription claims.

And today we announced that Omada is joining Eli Lilly and Company's Employer Connect to offer our GLP-1 Care Track, also including prescribing capabilities, directly to employers.

Across these announcements, Omada can now meet employers where they are: whether they are already covering GLP-1s, exploring coverage for the first time, or looking for a lower-cost alternative through an Employer Defined contribution model. And critically, our GLP-1 capabilities remain the tip of the spear for sales conversations across the broader Omada platform which has driven growth across the full cardiometabolic suite.

Turning to enrollment. In Q1, our Total Members grew 51% year-over-year, crossing one million for the first time in our history — a direct result of our expanded reach and our relentless iteration in enrollment marketing effectiveness. We continued to see strong enrollment across our GLP-1 services, but importantly, also across the full suite of our cardiometabolic services like Hypertension and Diabetes.

On engagement. Member engagement continued to deepen this quarter as we scaled our nutrition experience, with continued advancements in OmadaSpark and Meal Map.

And on efficiency. We narrowed our GAAP loss significantly and delivered positive Adjusted EBITDA in Q1, which is historically our most cost-intensive quarter — showing the operating leverage we committed to demonstrating. Behind that result is AI showing up across our business in a structural way. In care delivery, our tooling now summarizes member data and surfaces potential next actions for care team review, reducing the administrative burden on our care teams. In engineering, AI-assisted development has accelerated our product velocity and ability to say yes to new customer needs.

And across operations and member support, we are converting routine manual processes into automated workflows that create capacity without adding cost. Taken together, these investments are not only improving the member and care team experience today — we believe they are beginning to provide a foundation for a structural tailwind to margins.

Why We Win

The reason we have scaled this way — adding channels, adding conditions, adding capabilities like prescribing without breaking stride — is that each new relationship, each new capability, plugs into a complex system that promotes a positive, durable network effect for Omada and differentiates us from our competitors.

Part of what underpins our commercial success is a large set of relationships that we have built over the past 15 years. Omada has worked to build institutional trust with many of the nation's largest employers, health plans and PBMs — embedding our programs in benefit designs, clinical workflows, and compliance processes — to create integrated partnerships that we believe many of our partners have come to rely upon.

Our clients are not paying us to make their business more efficient — they are not buying software or SaaS seats. They are paying us to improve the health of their members and provide measurable outcomes in diabetes, hypertension, cholesterol, weight health, and MSK. We have worked thoughtfully for years - investing in areas like clinical sophistication, regulatory and privacy compliance, and information security - to meet the exacting standards of these partners not as a software vendor, an automated tool, or a consumer wellness solution, but instead as a HIPAA covered entity and a recognized provider of true healthcare.

We also have rich cardiometabolic data assets — tens of millions of care team interactions and billions of data points across weight, diabetes, hypertension, and musculoskeletal health. This data advantage is a reflection of our scale and operating history and helps us rapidly improve our care.

We have published 30 peer-reviewed studies and maintain third-party accreditations from organizations like NCQA and URAC evidencing our ability to meet their exacting standards and further differentiating our clinical, regulatory, and compliance capabilities. And we have designed our own co-intelligent care model that combines human coaching with AI tools to deliver personalized care at scale — using our unique data to power functional AI workflows for members and care teams, not just model benchmarks.

That combination of enterprise-grade distribution, extensive data, clinical and accreditation depth, proven and published outcomes, and a care model refined over more than a decade of real-world deployment — that is the durable position that we work to maintain and to widen, quarter after quarter.

Member Voice

Before I turn it over to Wei-Li, I want to ground this in the lives of the people we serve. One member recently shared:

> **"I've been using the Omada app for years, and it truly changed my life. Through better choices, discipline, and consistency, I've lost over 60 pounds. I don't need a seat belt extender on planes anymore. My toes don't tingle. I make better choices without feeling restricted. For years, I thought food was my best friend. It was comfort. It was coping. Now I see it for what it is: fuel for the life I'm building."**

Exceptional stories like that are why Omada exists. Three in four American adults have at least one chronic condition, and over half have two or more chronic conditions. And the healthcare system still organizes much of their care around limited clinical touchpoints. Omada puts the space between those visits at the center of care.

With that, over to Wei-Li.

Wei-Li Shao, President

Thanks, Sean.

Increasing Enrollment: Membership and Platform Growth

As Sean shared, we crossed the milestone of one million Total Members. We ended Q1 with 1 million 25 thousand Total Members, up 51% year-over-year. This is 139,000 net new members in Q1-26 compared to 107,000 in Q1-25.

Importantly, growth was broad-based across the cardiometabolic suite. We saw strong year-over-year growth in our hypertension and diabetes programs, reinforcing that our momentum extends well beyond GLP-1 offerings. Multi-condition close rates remain strong.

Two complementary drivers are amplifying this growth. First, enhancements to our enrollment experience converted more eligible members across email and direct mail, with particularly strong gains in diabetes and hypertension. Second, we continued to transition a majority of our accounts to Omada-led outreach, which is generating enrollment rates higher than non-Omada-led accounts.

Expanding Reach: Commercial Momentum

Turning to our commercial progress, this quarter we made meaningful strides expanding our channel and customer relationships. We now have relationships with all three of the nation's largest pharmacy benefit managers and are deepening our presence across the GLP-1 ecosystem.

As Sean mentioned, we are proud to have joined Optum Rx's Weight Engage portfolio. In addition to GLP-1 care, Omada's Prevention & Weight Health, Hypertension, and Musculoskeletal programs are available for Optum Rx clients to purchase.

And as an independent program administrator in Eli Lilly and Company's Employer Connect, we plan to support employers seeking direct GLP-1 access by pairing our clinical support and behavioral coaching model. Employers will be able to offer their members transparent, clinically guided access to anti-obesity medications alongside Omada's wraparound care.

In the quarter, we also added several large, nationally recognized private employers as customers, including L.L.Bean, QuikTrip, and Breakthru Beverage, alongside additional public-sector and regional health-system wins.

Together, these new and expanded relationships meaningfully extend our reach and further multi-condition penetration, while giving us access to a broader and more diverse set of covered lives across PBM, health plan, and employer channels. We are still in the early innings of serving many of those newly covered populations, which can take multiple sales cycles to fully build into.

The GLP-1 Capabilities and Infrastructure Journey

GLP-1s have not just driven demand for medication — they have expanded how many employers think about cardiometabolic care more broadly. Whether or not they choose to cover these therapies, we find that employers are increasingly prioritizing weight and metabolic health and looking for solutions that can support their populations.

This shift has played directly to our strengths. This reflects a fundamental reality: nine out of ten people taking GLP-1s for obesity are also managing at least one other chronic condition.

Since launching our GLP-1 Care Track, we have supported more than 150,000 members as of the end of 2025, building proof points for our wraparound care model. Let me walk you through how our offerings map to the different ways employers approach GLP-1 benefits.

For employers already covering GLP-1s through one of our PBM partners: our GLP-1 Care Track delivers companion care — including behavioral coaching, support with side-effect management, and other clinical support — alongside the pharmacy drug benefit. This is now available through the three largest PBM channels. Our GLP-1 Care Track can also help sustain outcomes after discontinuation, with data showing just 0.8% average weight change one year after stopping therapy, compared to 11% to 12% regain in key clinical trials without ongoing support.

For employers seeking clinically managed prescribing: As GLP-1 therapies evolve, employers need support navigating medication selection and titration across benefit designs intended to improve outcomes and manage cost. Prescribing is a natural extension of our model, and we are excited about our first offering of prescribing capabilities with Optum Rx. Given annual enrollment cycles, we expect revenue contribution from prescribing offerings to build more meaningfully in 2027.

For employers not yet covering GLP-1s who want an alternative to traditional coverage: we can support direct-to-employer pathways that give them a more flexible way to begin offering access with more predictable costs. That includes Omada GLP-1 Flex Care, which combines clinical evaluation, prescribing support, behavioral coaching, and ongoing virtual care, while eligible members access medication through vetted cash-pay channels. It also includes our work with Lilly's direct-to-employer offering, which provides employers with another option for transparent net cost for Zepbound® and allows them to define contribution levels, creating a predictable cost structure for obesity medications.

For members discontinuing GLP-1 therapy who need ongoing support: we provide behavioral coaching, clinical guidance, and multi-condition care. In published results, members who remained engaged with our care track largely sustained their outcomes at 12 months. This is where the full value of the platform becomes clear — supporting members not just during medication use, but across their broader health journey.

The strategic takeaway is this: GLP-1s have increased both the demand for and the complexity of cardiometabolic care. Employers need a partner who can navigate that complexity across coverage models, clinical needs, and member journeys — and Omada is building exactly that clinical infrastructure: connecting programs, prescribing, and support into a unified platform to help maximize the benefits of GLP-1 investments.

New Clinical Evidence

Turning to our evidence base. Our newest clinical analysis, announced last month, demonstrates that Omada members in our GLP-1 Care Track on average lost 1.8 times the total weight and twice the body fat, while preserving their lean muscle mass compared to a control group over a 12-week period. This is a clinically meaningful result that we believe matters to employers seeking to justify spending on GLP-1 medication. Without structured lifestyle and clinical support, employers may end up paying for poor results, funding high pharmacy spend on medication that is not providing the durable outcomes their employees seek.

These results, combined with our established body of 30 peer-reviewed studies and insights from supporting two million members over the past 15 years, have continued to differentiate Omada in competitive evaluations.

Closing the Loop

Taken together, our expanding commercial relationships, broadening GLP-1 capabilities, and growing body of evidence reinforce a simple point: Omada is becoming part of the connective tissue between how employers buy, how members engage, and how outcomes are delivered across the digital cardiometabolic landscape.

With that, I'll turn it over to Steve.

Steve Cook, CFO

Thank you, Wei-Li. Hello, everyone.

Q1 was the strongest first quarter in Omada's history — on members, on revenue, on gross margin, and on Adjusted EBITDA. Over the past year, we have been building capabilities to position Omada for durable growth — prescribing infrastructure, AI-empowered care delivery, and an expanding set of GLP-1 and cardiometabolic solutions.

Revenue

Revenue was $78 million dollars, up 42% year-over-year, driven by strong GLP-1 Care Track adoption, increased multi-condition penetration across our cardiometabolic suite, and continued progress in enrollment effectiveness. As discussed in last quarter's call, Q4 2025 included approximately $2 million dollars of revenue related to a one-time transaction that did not recur in Q1. Adjusting for that item, Q1 revenue grew 6% sequentially over Q4. The strength of these results, combined with the early traction we have seen across our new commercial relationships, gave us the conviction to raise full-year guidance, which I will walk through in a moment.

Gross Profit

Turning to gross profit, the leverage in our business continued to show as we delivered strong year-over-year gross margin expansion. Our GAAP gross profit was $49 million dollars in Q1, representing a GAAP gross margin of 62%, up from 58% in Q1-25. On a non-GAAP basis, gross margin was 64%, up from 60% in Q1-25.

As we've shared, Q1 has historically been our lowest gross margin quarter due to higher enrollment volume and the related care team and device costs.

The underlying drivers remained strong — efficiency gains from our self-built care team platform, AI-powered tools that enhance care team productivity, and the operating leverage inherent in our multi-condition model. As a result, we see a path to continued gross margin expansion over time, and we believe there is a path to exceed our current long-term target of 70% annual gross margin.

One item I want to flag briefly is the minor impact we have seen thus far from the conflict in Iran, which modestly increased device-related cost of revenue due to increased shipping costs. This has not been material to Q1, and we currently estimate the full-year impact at roughly $1 million dollars. We are also evaluating selectively pre-purchasing certain devices to incur shipping costs upfront as a further hedge against volatility.

Unit Economics

Let me walk through the unit economics. Total Members is our headline metric, but it is a composite of members at different stages with different economic profiles— and that composition is key to understanding our business.

Historically, the shape of the member curve has been largely consistent. In Year 1, revenue per member has generally been at its highest, because enrollment, devices, and initial care activities are concentrated in that period. In Years 2 and 3, revenue per member has historically stepped down as members move into streamlined, longer-term care, but gross margin per member has stepped up as care delivery costs are meaningfully lower once the front-loaded first-year activities are behind us. The member relationship has generally become more profitable on a unit basis as it matures, even as the revenue line moderates.

The takeaway this quarter is a positive structural shift in our member base. Members have stayed with Omada longer, and each successive enrollment year has been larger than the one before it — 2025 most of all. Together, those dynamics mean a structurally higher share of our Total Members sits in Year 2 and beyond entering 2026. That puts near-term pressure on blended revenue per member by design, while lifting typical longer-term gross profit per member, the more accretive phase of the curve.

This is a good outcome for the business — without any change to per-program pricing or contract terms. We expect gross profit per member to remain a strength of our model, and aim for it to expand further over time as new channel partnerships, our GLP-1 care options, and prescribing programs layer incremental economics onto the existing member base.

Operating Expenses

Moving to operating expenses, our approach is unchanged: invest responsibly behind key opportunities and continue driving toward profitable growth. On prior calls, we mentioned our investments into prescribing capabilities and it's now clear those investments are aligned to serve our new agreement with Optum Rx.

While building these capabilities, we also demonstrated operating expense leverage in the quarter. On a percentage-of-revenue basis, both GAAP and non-GAAP operating expenses declined approximately 5 percentage points year-over-year.

That leverage is the output of the drivers we have consistently pointed to: scaling through channel partnerships, getting more from our existing sales force, and tight spending discipline across the rest of the business.

The other driver, and an increasingly important one, is AI. We are not evaluating the leverage opportunity from AI in only one area of the company — the opportunity reflects a deliberate, company-wide evaluation of AI tooling across every function. As AI adoption deepens, we believe it can become a tailwind to operating leverage and margin expansion as we look toward 2027 and beyond.

Bottom Line

Our GAAP net loss narrowed to $3 million dollars compared to $9 million dollars in Q1-25, and Adjusted EBITDA was $1 million dollars, an improvement of $5 million dollars year-over-year.

Delivering positive Adjusted EBITDA in our historically highest-cost quarter reflects the structural scalability of our model playing out. This strong start to the year has led to an improved full-year Adjusted EBITDA outlook that I'll discuss in a moment.

Balance Sheet

Our strengthened profitability profile has contributed to a strong balance sheet as well. We ended Q1 with cash and cash equivalents of $212 million dollars and continue to carry no debt, having fully repaid our term loan ahead of schedule in 2025.

Guidance

Now let me turn to our outlook.

We are raising our full-year revenue guidance to $322 million dollars to $330 million dollars, up from our prior range of $312 million dollars to $322 million dollars.

For Adjusted EBITDA, we expect a range of $14 million dollars to $20 million dollars, up from a prior range of $7 million dollars to $15 million dollars.

At the midpoints, revenue guidance represents approximately 25% growth year-over-year, and Adjusted EBITDA reflects a nearly 3-fold improvement compared to 2025.

For both revenue and Adjusted EBITDA, the low-end of the new guidance range is approximately at the high-end of our previous range, reflecting the strength of the quarter and our improved outlook for the year.

The raise reflects two drivers: continued commercial momentum across our PBM and other channel partnerships, and sustained enrollment effectiveness across the cardiometabolic suite. We believe the new and expanded commercial relationships, along with the record number of planned new program launches, position Omada well for durable growth, more diversified revenue, and increasing profitability. Several of those programs and relationships are still in the early stages of commercial ramp, and we do not expect them to contribute materially to revenue in 2026. However, we are in the active selling season for 2027, and that is where we expect these relationships to begin converting to revenue.

We believe our growth rate and margin trajectory together demonstrate the financial profile of a durable, high-quality growth business —with a clear line of sight to the next wave of revenue from new programs and expanded commercial relationships.

With that, I'll turn it back to Sean for some closing remarks before we open it up for questions.

Sean Duffy, Co-Founder and CEO

Thank you, Steve.

Let me bring it together.

Less than a year ago, we stood in front of you as a newly public company with a bold set of ambitions. We said we would invest responsibly in GLP-1 capabilities and AI, demonstrate operating leverage, and prove that clinical quality and scale are not fundamentally at odds. We feel we have delivered on those commitments every quarter since — and Q1 2026 is the latest proof point.

Today, we have over one million Total Members. We have significantly expanded our commercial reach. We have an expanding multi-condition platform that includes prevention and weight health, GLP-1 support, diabetes, hypertension, cholesterol, and musculoskeletal care. We have an evidence base of 30 peer-reviewed studies and a growing body of real-world data that powers our differentiated use of AI, and helps us demonstrate ROI to customers. And we have a financial profile that has tracked meaningfully ahead of where consensus expected us to be at this point in our journey as a public company.

Our 2026 plans include rolling out more new offerings than in any year in the history of our company. The foundation is built. We believe the market is responding. And our team has the ambition to expand our impact from here.

With that, we will open it up for questions.