



Waystar announces term loan repricing and credit rating upgrades from Fitch, Moody's, and S&P Global

June 27, 2024

Reduces Waystar's cost of capital and enhances its ability to allocate free cash flow towards growth initiatives

LEHI, Utah and LOUISVILLE, Ky., June 27, 2024 /PRNewswire/ -- Waystar Holding Corp. (Nasdaq: WAY), a provider of leading healthcare payment software, today announced that it has entered into an amendment to its first lien credit agreement (the "amended credit agreement") with its lenders to reprice term loans. Under the terms of the amended credit agreement, the term loan borrowings will now carry a reduced interest rate of adjusted SOFR +2.75%, compared to the previous interest rate of adjusted SOFR +4.00%. The amended credit agreement is expected to reduce Waystar's cost of borrowing and allow for interest expense savings.

This action follows Waystar's initial public offering on June 7, 2024, with the net proceeds used to reduce debt. Following the offering, Fitch Ratings upgraded Waystar's long-term issuer default rating to 'BB' from 'B' with a positive outlook. Moody's Ratings upgraded Waystar's senior secured rating to 'B1' from 'B3' with a stable outlook, and S&P Global Ratings upgraded Waystar's issuer credit rating to 'B+' from 'B-' with a stable outlook. In announcing these upgrades, the rating agencies cited significant deleveraging, strong operating performance, continued growth momentum, and consistent free cash flow generation.

"We are pleased to be repricing at a more favorable rate, reflecting continued momentum following our initial public offering," said Matt Hawkins, Chief Executive Officer of Waystar. "We believe that the rating upgrades from Fitch, Moody's, and S&P underscore our ongoing commitment to strengthening our balance sheet and our strong growth outlook. Looking ahead, we expect our durable recurring revenue model, attractive margin profile, and robust free cash flow generation will enable us to prioritize continued deleveraging while investing in our platform for growth."

Additional information about the terms of the amended credit agreement is set forth in a Current Report on Form 8-K filed by Waystar with the Securities and Exchange Commission on June 27, 2024, which is available on the investor relations page of Waystar's website at investors.waystar.com.

About Waystar

Waystar's mission-critical software is purpose-built to simplify healthcare payments so providers can prioritize patient care and optimize their financial performance. Waystar serves approximately 30,000 clients, representing over 1 million distinct providers, including 18 of 22 institutions on the U.S. News Best Hospitals list. Waystar's enterprise-grade platform annually processes over 5 billion healthcare payment transactions, including over \$1.2 trillion in annual gross claims and spanning approximately 50% of U.S. patients. Waystar strives to transform healthcare payments so providers can focus on what matters most: their patients and communities. Discover the way forward at waystar.com.

Forward-Looking Statements

This press release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that reflect management's current views with respect to, among other things, Waystar's business strategy, goals, and expectations concerning Waystar's future operations and performance, borrowing costs, margins, profitability, liquidity, capital allocation, leverage, and capital resources and other financial and operating information. Forward-looking statements include all statements that are not historical facts. These statements may include words such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek," "foreseeable," "outlook," the negative version of these words or similar terms and phrases to identify forward-looking statements in this press release.

The forward-looking statements contained in this press release are based on management's current expectations and are not guarantees of future performance. The forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify. Waystar's expectations, beliefs, and projections are expressed in good faith, and Waystar believes there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, and projections will result or be achieved.

The following factors are among those that may cause actual results to differ materially from the forward-looking statements: Waystar's operation in a highly competitive industry; Waystar's ability to retain its existing clients and attract new clients; Waystar's ability to successfully execute on its business strategies in order to grow; Waystar's ability to accurately assess the risks related to acquisitions and successfully integrate acquired businesses; Waystar's ability to establish and maintain strategic relationships; the growth and success of Waystar's clients and overall healthcare transaction volumes; consolidation in the healthcare industry; Waystar's selling cycle of variable length to secure new client agreements; Waystar's implementation cycle that is dependent on its clients' timing and resources; Waystar's dependence on its senior management team and certain key employees, and Waystar's ability to attract and retain highly skilled employees; the accuracy of the estimates and assumptions Waystar uses to determine the size of its total addressable market; Waystar's ability to develop and market new solutions, or enhance its existing solutions to respond to technological changes, or evolving industry standards; the interoperability, connectivity, and integration of Waystar's solutions with its clients' and their vendors' networks and infrastructures; the performance and reliability of internet, mobile, and other infrastructure; the consequences if Waystar cannot obtain, process, use, disclose, or distribute the highly regulated data Waystar requires to provide its solutions; Waystar's reliance on certain third-party vendors and providers; any errors or malfunctions in its products and solutions; failure by Waystar's clients to obtain proper permissions or provide us with accurate and appropriate information; the potential for embezzlement, identity theft, or other similar illegal behavior by Waystar's employees or vendors, and a failure of Waystar's employees or vendors to observe quality standards or adhere to environmental, social, and governance standards; Waystar's compliance with the applicable rules of the National Automated Clearing House Association and the applicable requirements of card networks; increases in card network fees and other changes to fee arrangements; the effect of payer and provider conduct which Waystar cannot control; privacy concerns and security breaches or incidents relating to Waystar's platform; the complex and evolving laws and regulations regarding privacy, data protection, and cybersecurity; Waystar's ability to adequately protect and enforce its intellectual property rights; Waystar's ability to use or license data and integrate third-party technologies; Waystar's use of "open source" software; legal proceedings initiated by third parties alleging that Waystar is infringing or otherwise violating their intellectual property rights; claims that Waystar's employees, consultants, or independent contractors have wrongfully used or disclosed confidential information of third parties; the heavily regulated industry in which Waystar conducts business; the uncertain and evolving healthcare regulatory and political framework; health care laws and data privacy and security laws and

regulations governing Waystar's processing of personal information; reduced revenues in response to changes to the healthcare regulatory landscape; legal, regulatory, and other proceedings that could result in adverse outcomes; consumer protection laws and regulations; contractual obligations requiring compliance with certain provisions of the Bank Secrecy Act and anti-money laundering laws and regulations; existing laws that regulate Waystar's ability to engage in certain marketing activities; Waystar's full compliance with website accessibility standards; any changes in Waystar's tax rates, the adoption of new tax legislation, or exposure to additional tax liabilities; limitations on Waystar's ability to use its net operating losses to offset future taxable income; losses due to asset impairment charges; restrictive covenants in the agreements governing Waystar's credit facilities; interest rate fluctuations; unavailability of additional capital on acceptable terms or at all; the impact of general macroeconomic conditions; actions of certain of Waystar's significant investors, who may have different interests than the interests of other holders of Waystar's securities; and each of the other factors discussed under the heading of "Risk Factors" in Waystar's prospectus filed with the SEC on June 7, 2024 and in other reports filed with the SEC, all of which are available on the investor relations page of Waystar's website at investors.waystar.com.

Any forward-looking statements made by Waystar in this press release speaks only as of the date of this press release and are expressly qualified in their entirety by the cautionary statements included in this press release. Factors or events that could cause Waystar's actual results to differ may emerge from time to time, and it is not possible for Waystar to predict all of them. You should not place undue reliance on Waystar's forward-looking statements. Waystar undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by any applicable securities laws.

Media Contact

Daniel Yunger / Nick Capuano / Kerry Kelly
Kekst CNC
kekst-waystar@kekstcnc.com

Investor Contact

Sandy Draper
investors@waystar.com
502-238-9511

 View original content: <https://www.prnewswire.com/news-releases/waystar-announces-term-loan-repricing-and-credit-rating-upgrades-from-fitch-moodys-and-sp-global-302185144.html>

SOURCE Waystar