FINANCIALS

- Gross Premiums Written: +24% YoY vs Q1 2024
- Net Income: $18 million (Q1 2025)
  - $25 million improvement YoY
- Operating Income: $24 million (+$18mm YoY)
- Adjusted EBITDA: $32 million (+$17mm YoY)
- Gross Accident Period Loss Ratio: 58% (Q1 2025)
  - Benefiting from seasonal trends: lower miles driven (winter), higher spending capacity (tax season)
- Net Combined Ratio: 96% (-6pts YoY)
- Policies in Force (PIF): growth both YoY and sequentially (no specific number disclosed)
  - Q2-to-date: PIF has remained “roughly flat,” normal after strong Q1 growth
- Unencumbered Capital: $347 million (end Q1 2025)
  - Excess capital position across insurance subs
- Interest Expense: realized step-down in cost in Q1 after BlackRock debt facility amendment (-25bps rate on loan)
  - Facility allows further rate step-downs as leverage declines

GUIDANCE / OUTLOOK

- Q1 performance benefits from:
  - Seasonal favorability (tax refunds, higher purchasing power, low miles driven)
  - Does not expect these tailwinds to persist rest of 2025
- Direct Channel:
  - Strong Q1, likely not recurring at same level in forward quarters
  - Q1 is typically highest marketing/growth period; expect moderation thereafter
- Partnership Channel:
  - Quarterly new writings more than doubled YoY
  - Expect partnership channel to grow mix contribution for balance of year
  - Partnership mix in new writings expected to increase each quarter moving forward
  - New partnerships with Hyundai Capital America (HCA) and Experian in early stages; significant PIF impact not immediate
- State Expansion:
  - Now operating in 35 states (+ filing in MI, pending in WA, NJ, MA)
  - Conservative ramp in new states: slow, data-driven, loss cost monitored—takes 6-12 months to fully scale a state
- Pricing/Underwriting:
  - Continue disciplined approach—investment in algorithms and automation enables nimble rate actions
  - Able and willing to raise rates if tariffs or other factors require, but current margins can absorb likely tariff impact (estimated 5% severity impact)
- Loss Ratio:
  - Expect loss ratio to rise in Q2/Q3 (convective storm season, hurricane season) and target long-term range of 60-65%
- Profitability:
  - No formal full-year profitability guidance, but expect GAAP and unit economics to be managed for long-term value, not quarterly maximization
  - Not extrapolating Q1’s profitability due to seasonal factors
- Marketing/Growth Expense:
  - Q1 is peak for marketing/sales spend (seasonality)
  - Will continue opportunistic/direct marketing approach, with focus on high-ROI periods (typically Q1)

PRODUCTS & CHANNELS

- Direct Channel:
  - Data-rich, lower-funnel channels primary driver; will expand into mid- and upper-funnel only after data collection proves positive unit economics
  - World-class, mobile-first telematics product supports direct channel
- Partnership Channel:
  - >20 total partners as of Q1 2025
  - Partnership new writings up >2x YoY
  - Two new material partnerships:
    - Hyundai Capital America (HCA): integrate Root into auto finance process, deliver “data-driven competitive rates”
    - Experian: offer Root insurance via Experian’s digital marketplace, expands reach
  - Proprietary tech stack enables seamless integration into partners’ platforms for contextual customer access
  - Partnerships span automotive, financial services, agent subchannels
  - New partnerships require ramp time before becoming major PIF contributors

SUPPLY CHAIN / OPERATIONS

- Technology:
  - Proprietary underwriting/pricing tech stack, automated rating systems speed up response to loss trends or macro conditions
  - Data science/actuarial process enables faster regulatory rate filings/adaptations
- State Expansion:
  - Enter new states with conservative pricing, open up as loss data proves targets, sometimes require rate adjustments soon after launch
  - Approach is measured; growth in new states may be slow initially (6-12 months)
- Risk/Performance Management:
  - Quarterly actuarial reviews; ongoing frequent trend monitoring
  - Seasonality: performance (growth and loss ratio) best in Q1, higher losses expected Q2/Q3 (convective/hurricane seasons)

CUSTOMERS & PARTNERSHIPS

- Geographic expansion to 35 active states (with further filings pending)
- >20 channel partners as of Q1 2025 (auto, financial, agent)
- Growth through both direct and embedded/partner-distributed insurance offerings
- Customer focus:
  - “Delightful experience and a great price” regardless of channel
  - Ongoing R&D investment in enhanced shopping and customer experiences

CAPITAL MANAGEMENT

- Amended BlackRock debt facility:
  - Lower interest after leverage target hit; facility allows for further step-downs as capital structure improves
  - Recent capital decisions yield improved flexibility in growth investment
- Capital deployment focus: reinvest in people, technology, acquired customers only if long-term returns are within targets

LEADERSHIP / STRATEGIC PRIORITIES

- CEO Alexander Timm: Focus on underwriting discipline, tech-driven edge, diversified distribution, and maximizing lifetime economic value per customer (over quarterly GAAP results)
- CFO Megan Binkley: Emphasize disciplined acquisition expense recognition (frontloaded), strong underwriting, excess capital, expense management

CATALYSTS

- HCA and Experian partnership ramp-up (distribution, customer acquisition)
- Ongoing state expansions (pending MI, WA, NJ, MA)
- Further cost-of-capital reductions under BlackRock facility
- Tech investment, particularly in new data-driven acquisition channels and embedded insurance model
- Ability to rapidly adjust rates in response to tariffs or loss trend shocks

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Note: All financial results are for the first quarter ending 2025, unless otherwise specified. No explicit forward financial guidance (revenues, PIF, profitability, etc.) beyond stated qualitative trends and strategic direction.