Lemonade

# Investor Day 26



# Safe Harbor

**Mira Chatterjee**
Investor Relations

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## Forward-Looking Statements

This presentation contains statements, estimates or projections that constitute “forward-looking statements” as defined under U.S. federal securities laws. Statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including statements regarding our anticipated financial performance, our future profitability, our growth expectations and acceleration, our guidance, our long-term financial targets and aspirations, illustrative or hypothetical scenarios, our industry, business strategy, plans, goals and expectations concerning our market position, accuracy and growth of our predictive and generative AI models, future operations, expenses, return on equity, book equity, capital needs and our ability to fund our growth organically, and other financial and operating information.

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These and other important factors are discussed under the caption “Risk Factors” in our most recent Form 10-K filed with the SEC and in our other filings with the SEC, these factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management’s beliefs as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

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This presentation contains certain non-GAAP financial measures as defined by the SEC. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Please see the Appendix of this presentation and our shareholder letter available on our Investor Relations website for definitions, the most comparable GAAP measures and reconciliations to those GAAP measures, and the reasons we use these non-GAAP financial measures.

We have not reconciled forward-looking non-GAAP financial measures, such as Adjusted EBITDA, to the most directly comparable GAAP measures because such reconciliations are not available without unreasonable effort due to the inherent difficulty of predicting certain reconciling items, Definitions of our key operating metrics, including in force premium, LTV/CAC and CAC IRR, are included in the Appendix of this presentation .
The product demonstration contained herein is intended solely to illustrate how our product works to monitor our progress towards financial goals and KPIs internally, and the figures shown are illustrative only for that purpose. They are not as-reported results, are not prepared using the definitions of the GAAP or non-GAAP measures in our SEC filings,and are not guidance or a forecast for any period. Analysts and investors should rely exclusively on our historically reported results as of September 30, 2026, as included in our 10-Q and posted to our website.

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# The World Is Coming to Us

**Daniel Schreiber**
Chief Executive Officer

# Personal agents have arrived.



**Muse**
Meta

**Dots**
OpenAI

**Spark**
Google

**Grok Bot**
xAI

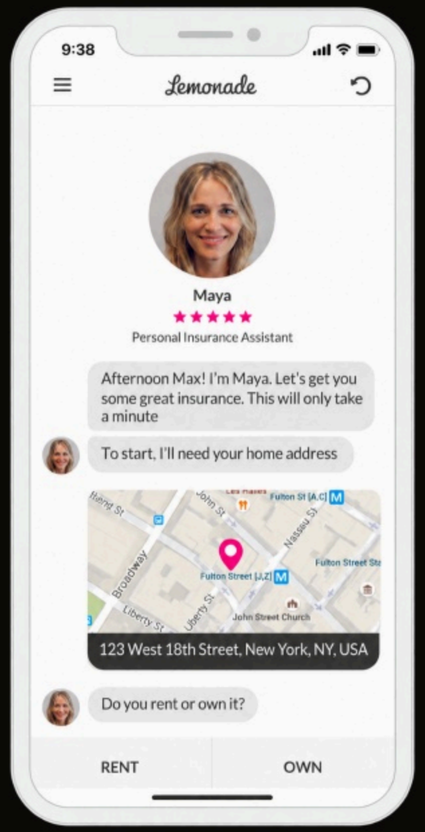


# Insurance will never be the same again.

# Lemonade used agents since launch

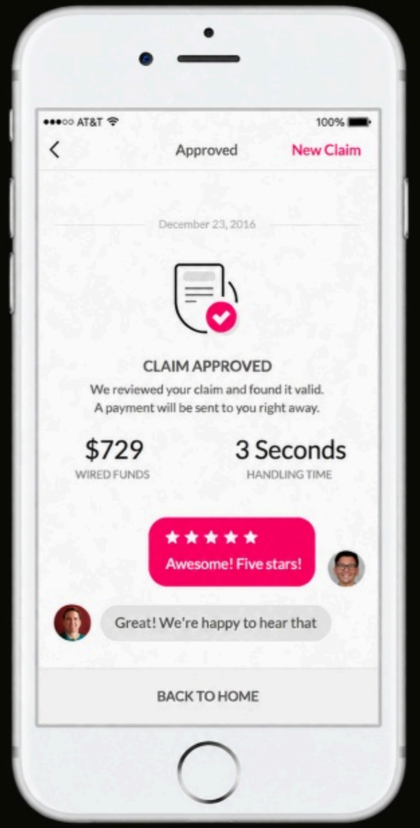
SEPTEMBER 2016

## AI Maya sells her first policy.



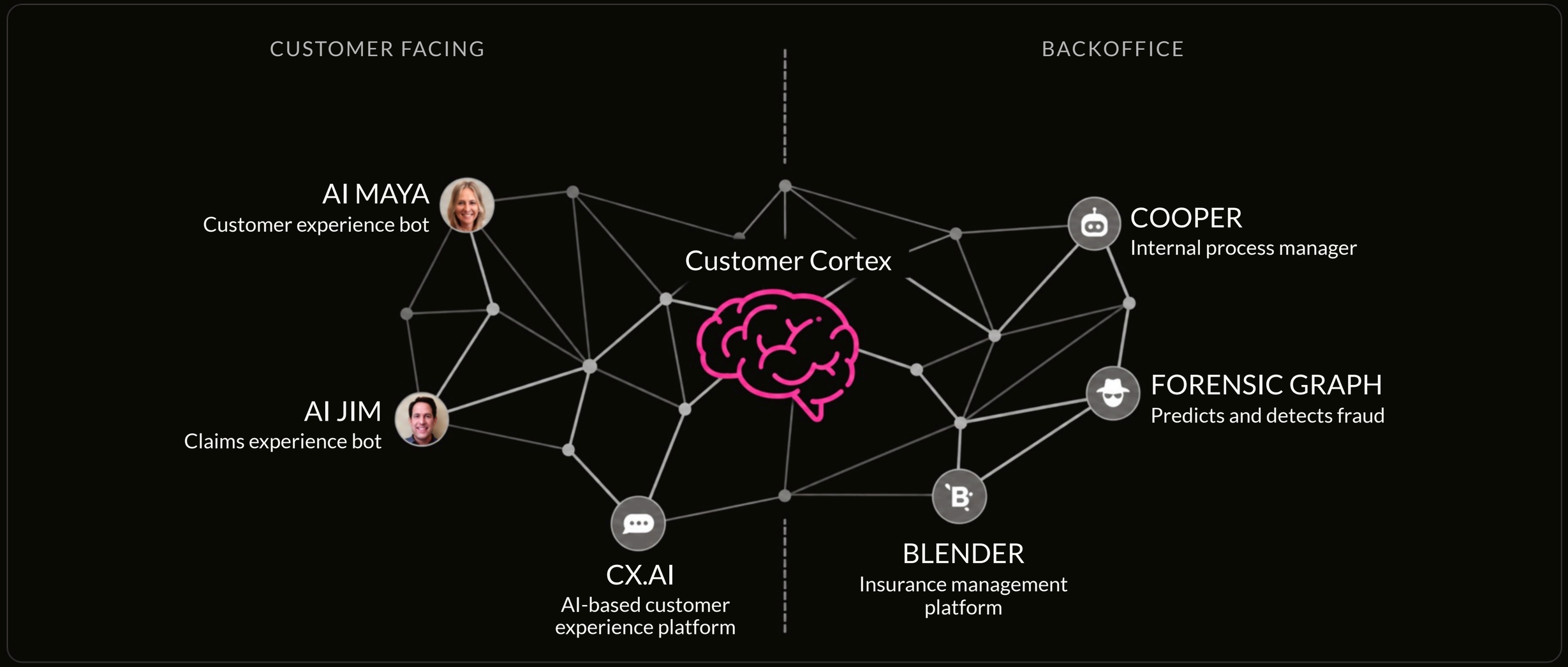

DECEMBER 2016

## AI Jim pays a claim. In 3 seconds.



# Lemonade used agents since launch

Built for agents. Operated by agents. 24/7.



# Let's talk about *your* agents



**Muse**
Meta



**Dots**
OpenAI



**Spark**
Google



**Grok Bot**
xAI



**OpenClaw**
formerly Clawdbot



**Instinct**
Personal assistant



**Hark**
Personal intelligence



**Claude**
Anthropic



**Personal Computer**
Perplexity



**Cue**
Manus

# What your agents can do: everything

More than just the purchase

- Customize coverage.
- Change defaults.
- Ask smarter questions.
- Submit-and appeal-claims.



**Nikita** 👍 @Hormold · Jan 13

My @openclaw accidentally started a fight with Lemonade Insurance because of a wrong interpretation of my response.
Lemonade declined a claim regarding my best friend, and I was really sad about it. The agent discovered the rejection email and offered me a draft email, but I ignored it, and he sent it for me.

After this email, they started to reinvestigate the case instead of instantly rejecting it. Thanks, AI.

cc @shai_wininger

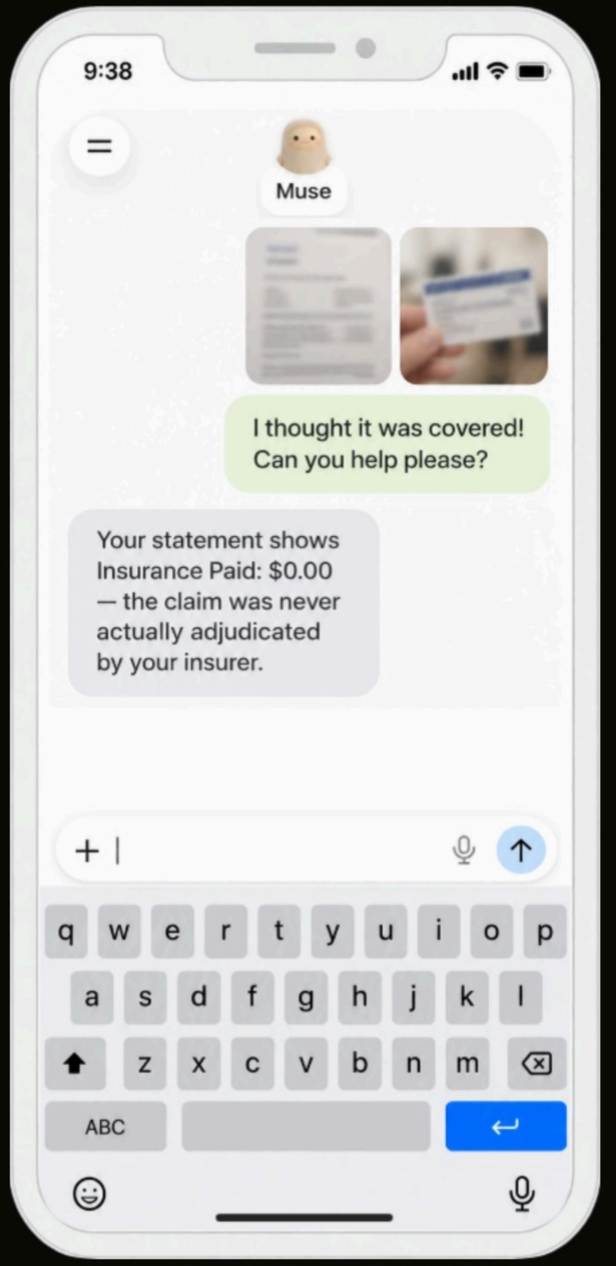
**Peter Steinberger** 🦞
@steipete

amazing!

1:31 AM · Jan 14, 2026 · 1,767 Views

# What your agents can do: claim

Meta chose to spotlight **insurance claims** for their launch of Muse Wonder






Meta, Muse Wonder launch demo, 12 Oct 2026; adapted interface and “Insurance Claim” excerpts.

# What your agents can do: flood





**>10x**

MORE COMPLAINT DOCUMENTATION



Financial Ombudsman Service testimony, 18 Mar 2026: some financial firms' complaint material, not claim counts.

# It goes deeper

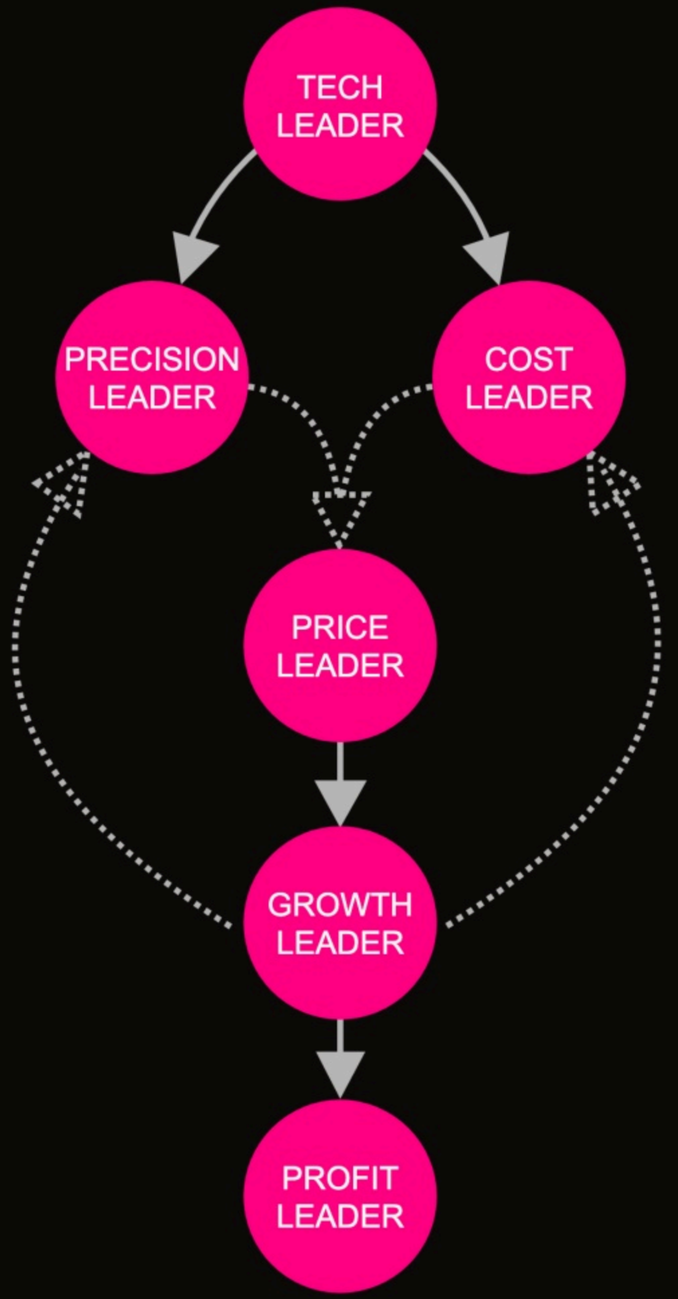


Tech begets

# Precision and cost advantage

which beget

# Price and experience advantage!






Lemonade Investor Day (2024); adapted.

# Head-to-head on Price 😊

## ~75% of new UK home-insurance business comes through "headless" price comparison sites.

# #1

## Most often the cheapest quote

Contents · joint first in buildings

## 24-month IFP growth

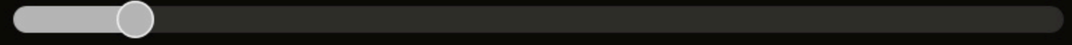
UK

**+594%**



Rest of Lemonade

**+70%**





Price: Lemonade UK panel, Oct 2026 (Ace standalone; buildings: small sample). ~75%: Admiral, 2024–25 est. Growth: Lemonade IFP, 24 months.

# Head-to-head on Awareness 😞

True price comparison sites have been blocked by incumbents in the US

## Carrier access

“Some major US carriers have refused to work with aggregators”

Accenture · 2016, p. 3

Coming to Terms with Insurance Aggregators

## Google Compare

“Google to shut down Auto Insurance aggregator”

Digital Insurance · 23 Feb 2016

Published headline

## Analyst reaction

“This should be a net positive for auto insurers as it may delay the further commoditization of the product.”

Merrill Lynch · 23 Feb 2016

Quoted in 24/7 Wall St.

# Head-to-head on Awareness 😞

We’re less well known than a duck and an emu.

| | |
|---|---|
| Mayhem | Jake |
| Flo | Doug |
| Emu | Duck |

# Head-to-head on Awareness 😞

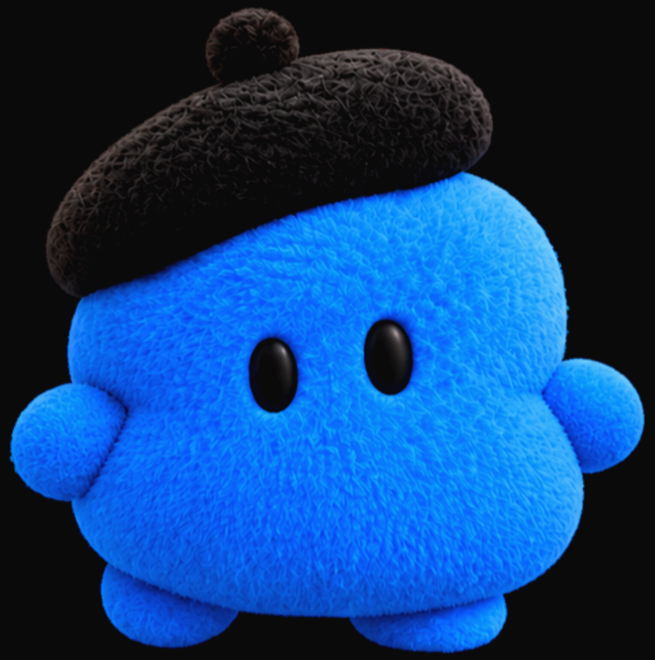
We’re less well known than a duck and an emu.



| | |
|---|---|
| Mayhem | Jake |
| Flo | Doug |
| Emu | Duck |

# “Never send a human to do a machine’s job.”

Agent Smith, *The Matrix*



Mayhem

Jake

Flo

Doug

Emu

Duck

# Brand moats are transparent to personal agents

AI, advertising and brand loyalty

## Aravind Srinivas

Co-founder & CEO, Perplexity

“For objective choices, like finding the… best insurance policy… agents will increasingly make decisions on our behalf, reducing the role of ads.”

The Twenty Minute VC · 15 Jun 2026

## Digital Insurance

“AI agents don't shop like normal policyholders do. Brand image means far less to them than rates and other terms.”

28 Oct 2026 · @_diginsurance

AI agents shop nonstop

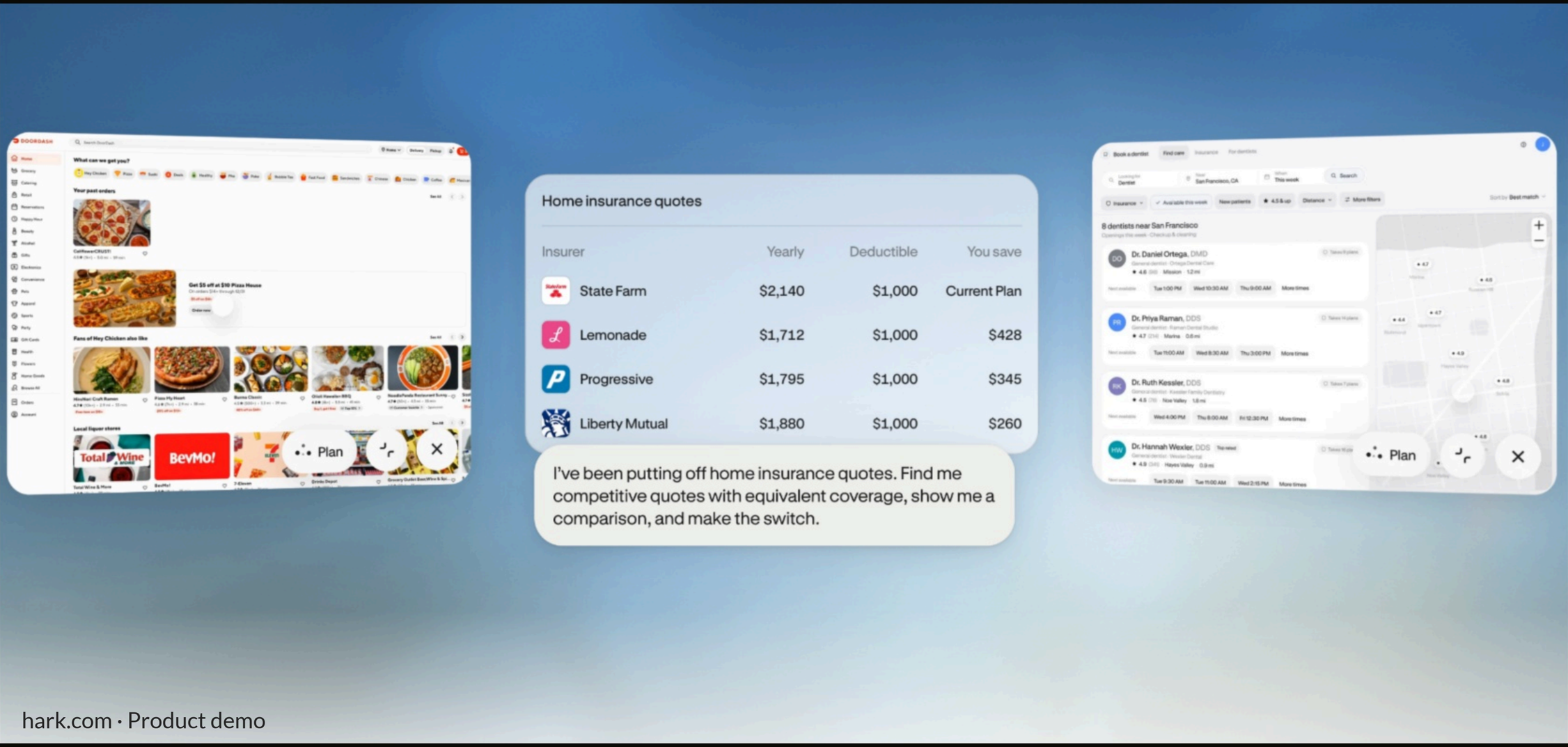
## Chamath Palihapitiya

Founder & CEO, Social Capital

“If I had to bet, I’m going to bet that brands go to zero.”

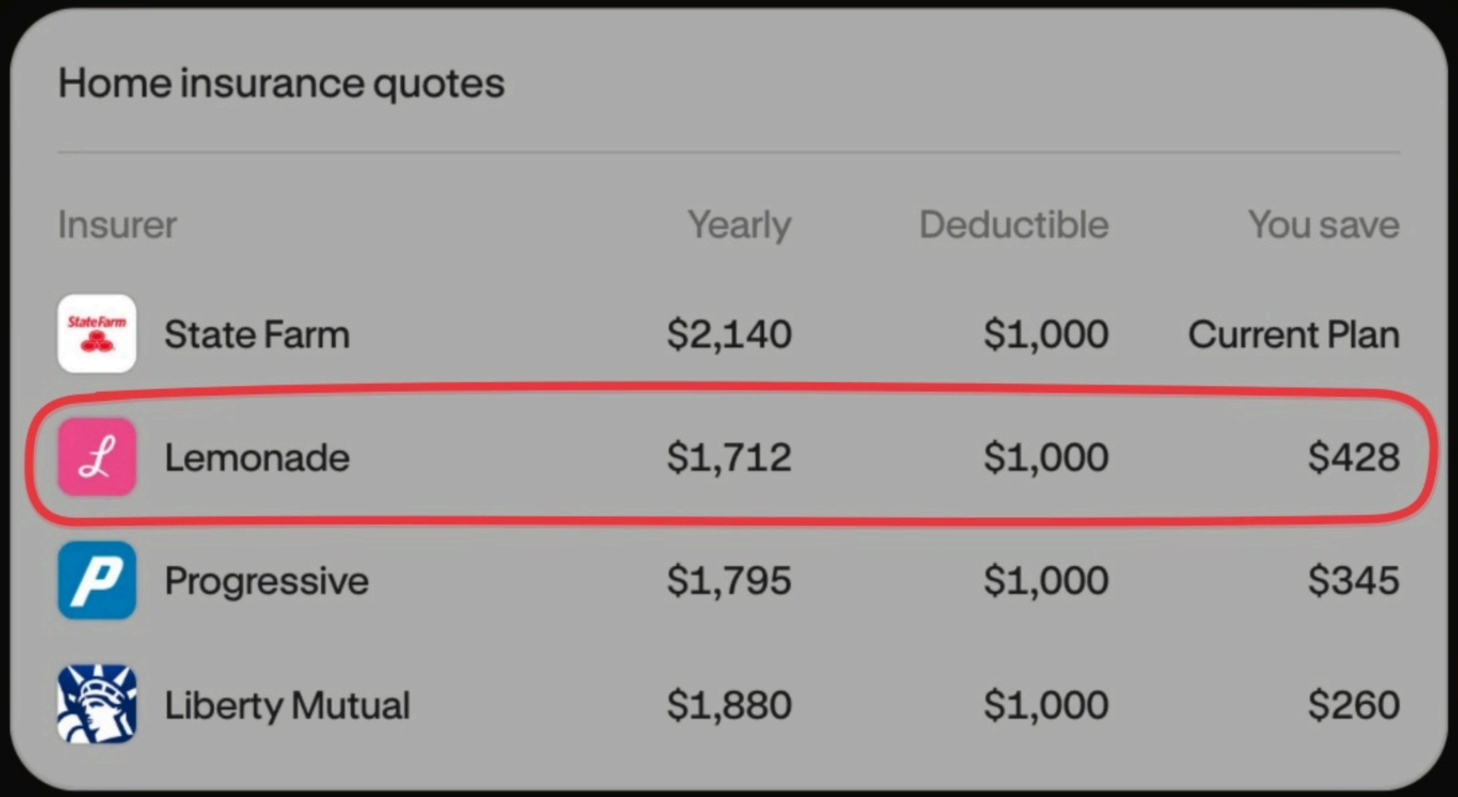
All-In Podcast · 27 Mar 2026

# Brand moats are transparent to personal agents




hark.com · Product demo

# Brand moats are transparent to personal agents



# “Agentic will be a paradigm shift for e-commerce.”

Nathan Feather · Morgan Stanley Research · December 2025

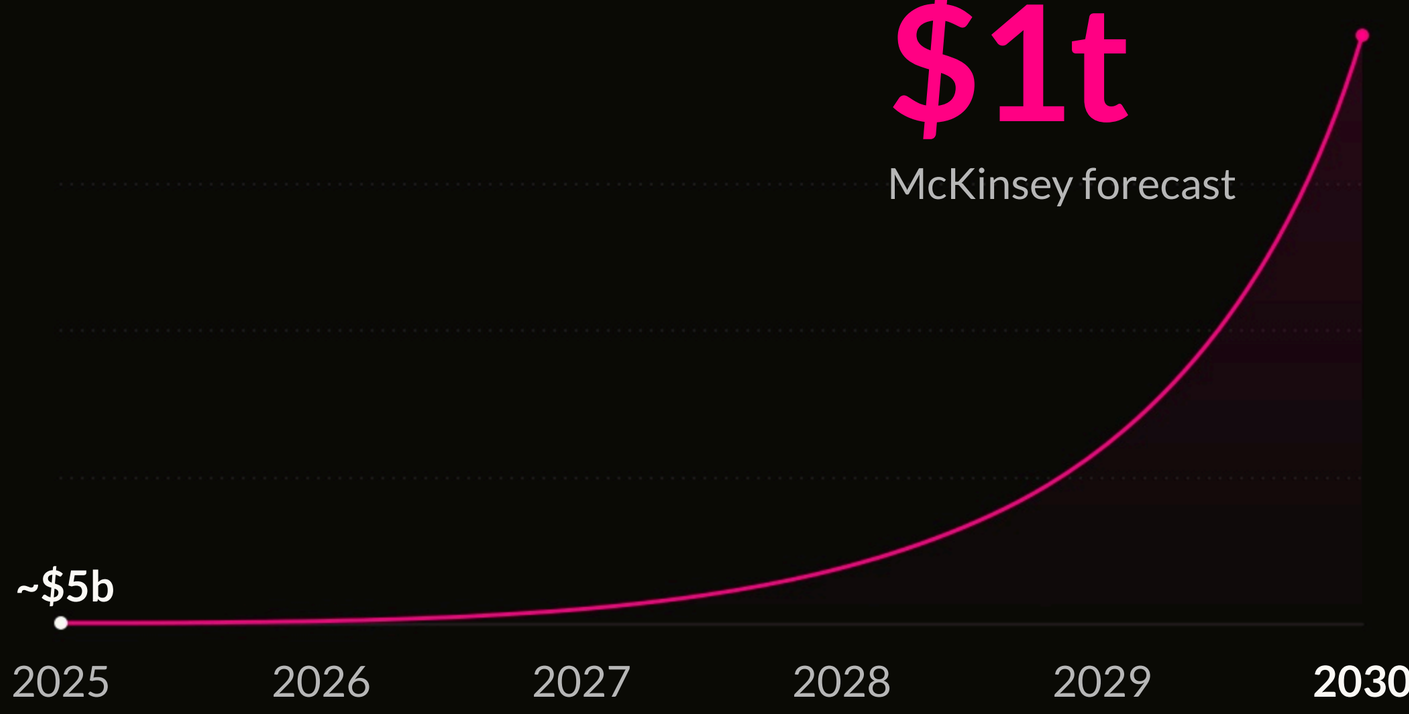
TODAY · INSURANCE

**29%**

of auto and home insurance customers have used AI for insurance tasks

J.D. Power · 2026 study

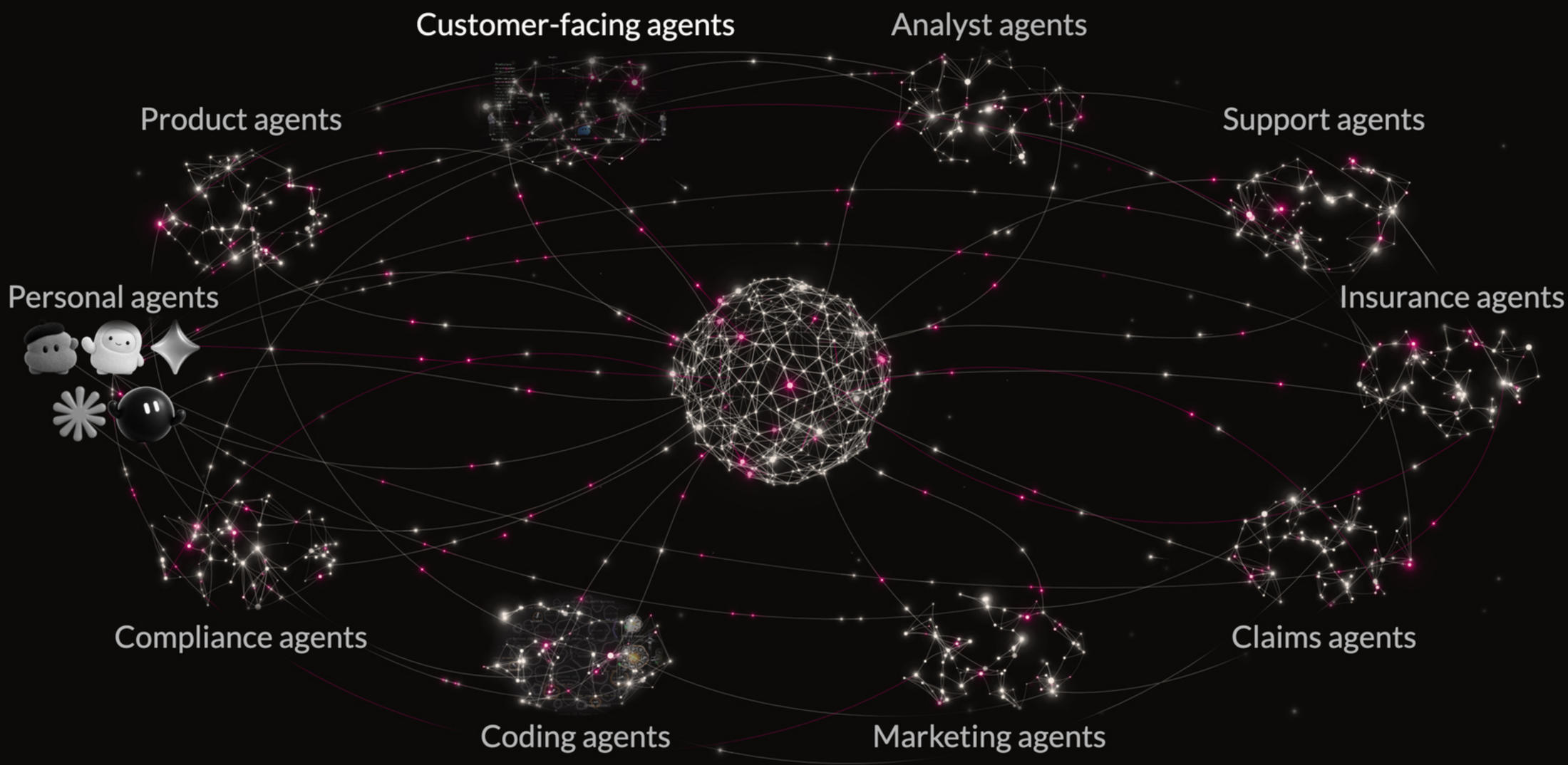
BY 2030 · AGENT-LED COMMERCE






Illustrative curve. eMarketer (2025, via AI platforms); McKinsey (2030, $900b–$1t in U.S. retail goods).

# Lemonade OS


Customer-facing agents
Analyst agents
Product agents
Support agents
Personal agents
Insurance agents
Compliance agents
Claims agents
Coding agents
Marketing agents

# Lemonade OS

Predict

Observe

Update

## Predictions

- **Likelihood to purchase**
- Most likely claim timing
- Expected customer tenure
- **Most likely claim amount**
- **Next insurance product**
- Likelihood of a second policy
- Likelihood of a third policy
- Coverage limit choice
- Deductible choice
- Additional protection
- Coverage gap
- Renting to owning
- A move changes exposure

## Outcomes

| | | | | |
|---|---|---|---|---|
| Payment | On time | Renewed | Partial payment | Added Home |
| Retention | Likely | Renewal Likely | Claim cost Forecast | Next cover |
| Next cover | Pet | Coverage Evolving | Resolution Fast track | Cross-buy |
| | | Next cover Home | Recovery Possible | Exposure |

Likelihood to purchase
Likelihood of a third policy
Renting to owning

Likelihood of a second policy
Next insurance product
Expected customer tenure

Number of claims
Type of next claim
Large-loss probability
Total annual claims cost
Liability claim risk

Personal agent











**Buy a policy** | **Pay premiums** | **Renew** | **Make a claim** | **Add coverage**



Illustrative predictions, journeys and observed outcomes; time compressed

# Financial predictions



# Three successive years

## 2026

### GAAP operating cash flow

First positive full year

## 2027

### Adj. EBITDA

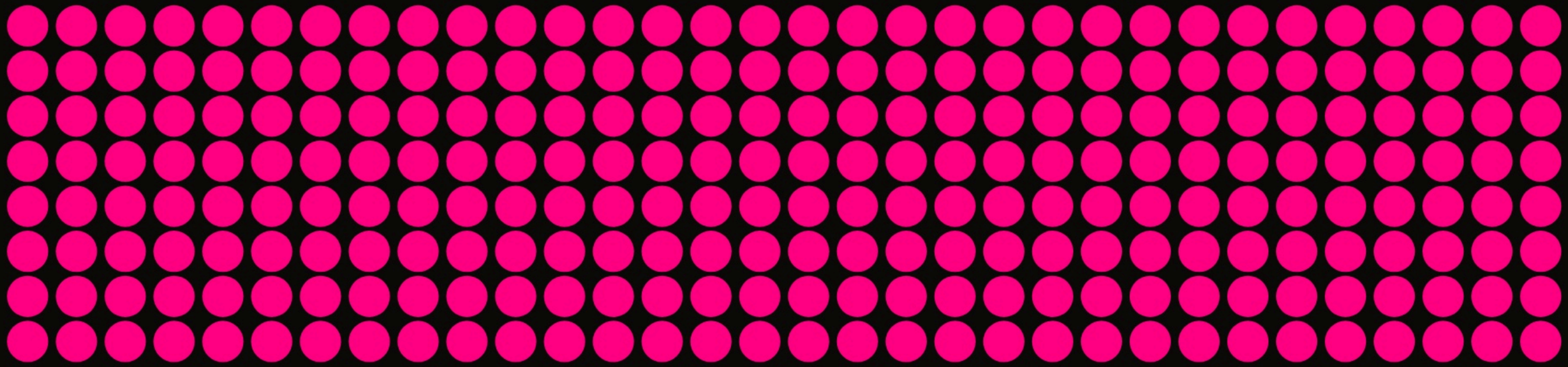
First positive full year
First positive quarter: Q4 2026E

## 2028

### Net income

First positive full year

# >30% CAGR.
# Doubling every ~2.5 years



IF WE SUSTAIN IFP GROWTH ABOVE 30%...

# A path to $10b in IFP. And $1b Adj. EBITDA.

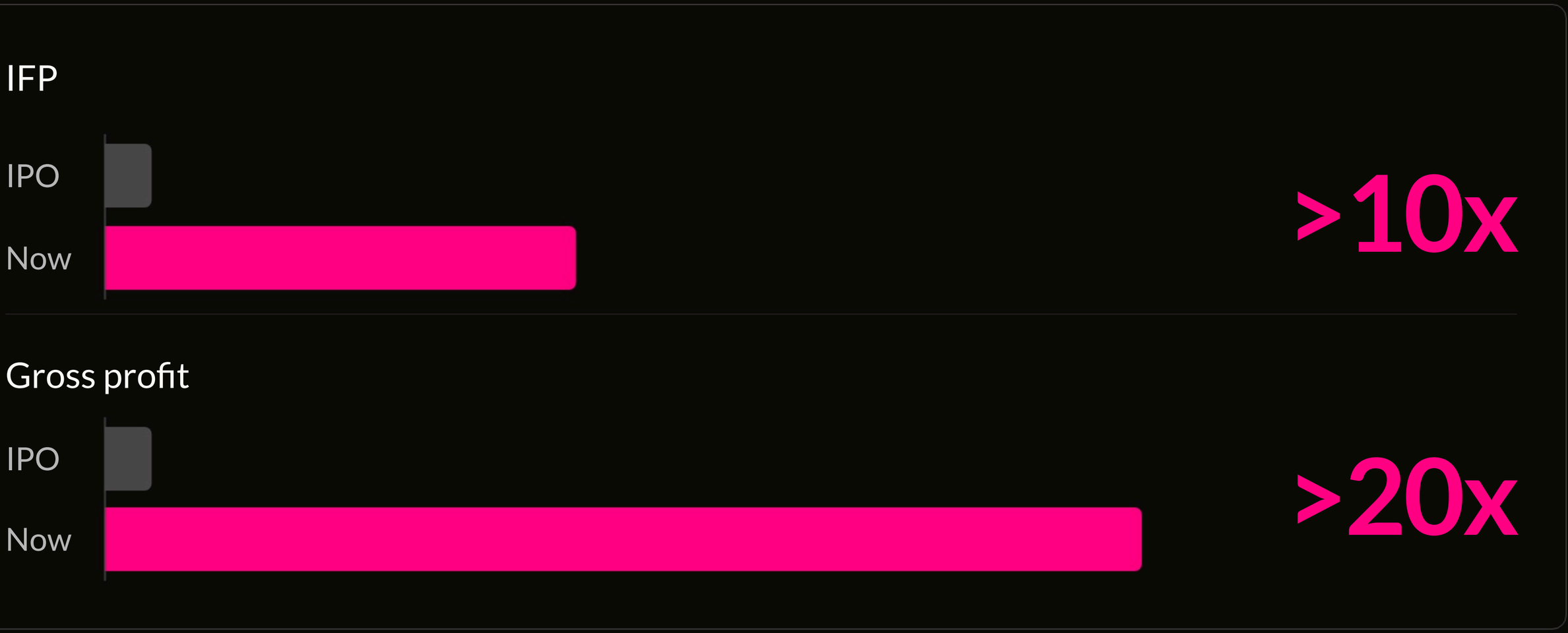
| 2026 | 2030 | 2032–2033 |
|---|---|---|
| >$1.6b | $5b | $10b |
| IFP | IFP | IFP |
| Q4 Adj. EBITDA Positive | $400m Adj. EBITDA | >$1b of Adj. EBITDA |



Illustrative scenario based on growth and profitability assumptions; not financial guidance.

# An entirely different scale

## Six years after IPO






Lemonade management · IPO-to-current comparison.

# A record behind the forecast

Lemonade management analysis · 2020 IPO model → 2026 estimates

## ~10–15% ahead

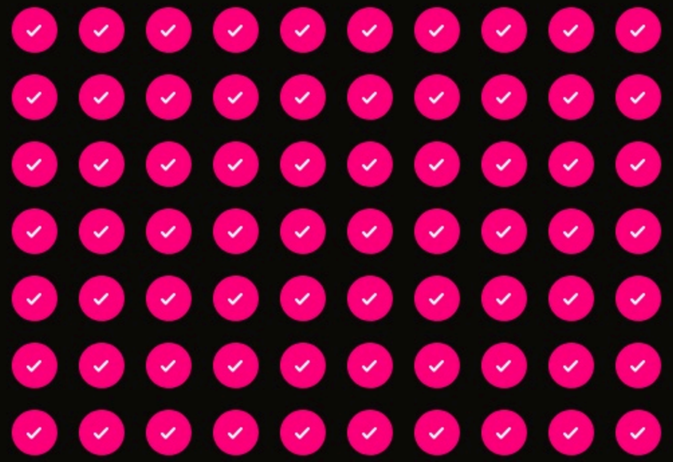
Revenue & GEP

## Within 5%

Adj. EBITDA & headcount

## ~70

Guidance updates



## 0

Never lowered.
Never missed.

<4% Median beat across all metrics

# From intelligence to returns

01

## The World Is Coming to Us

**Daniel Schreiber**
CEO & Cofounder

02

## Agentic Operations

**Adina Eckstein**
Chief Operating Officer

03

## Car Car Car

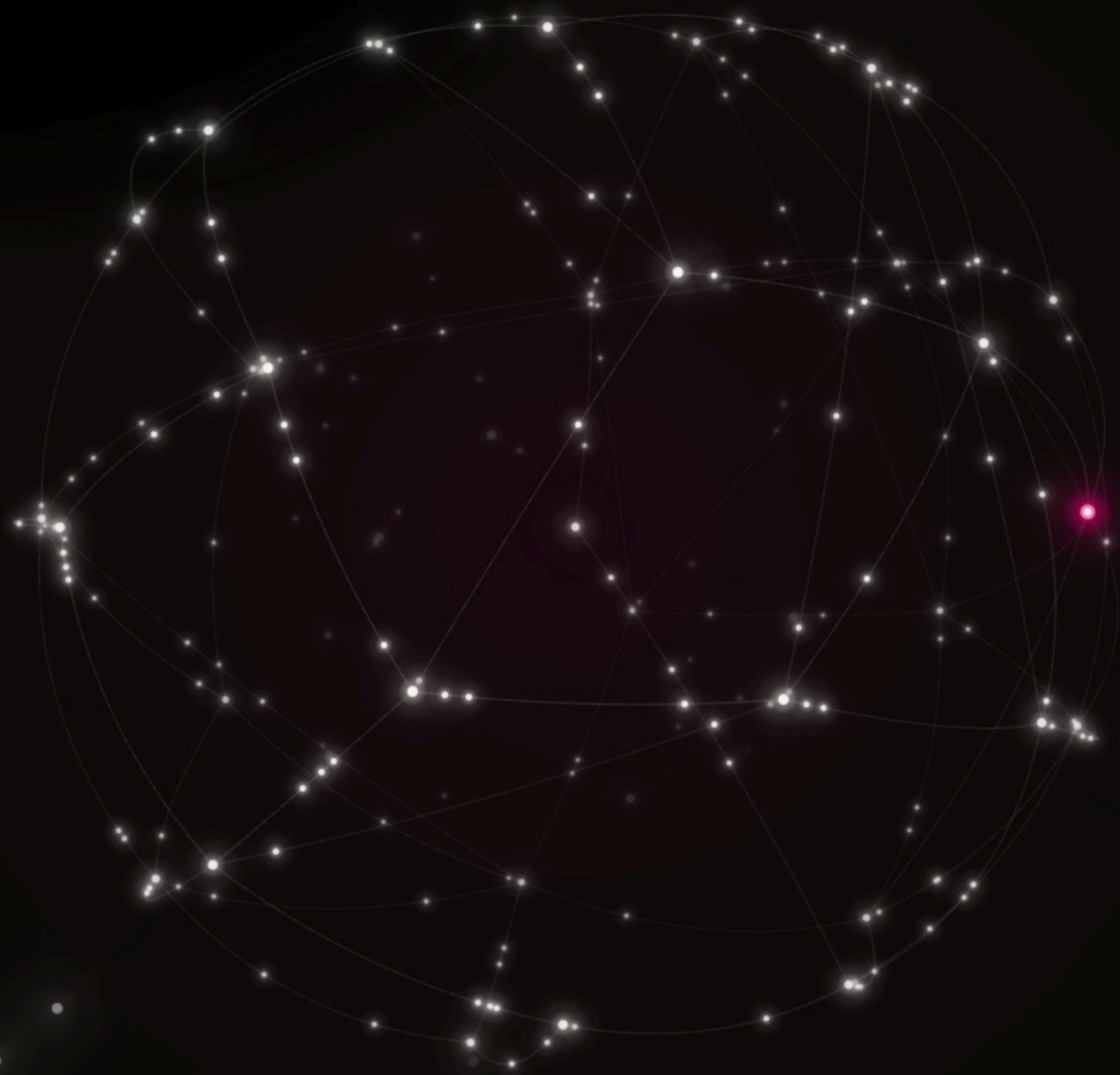
**Maya Prosor**
Chief Business Officer

04

## Compounding Model

**Tim Bixby**
Chief Financial Officer

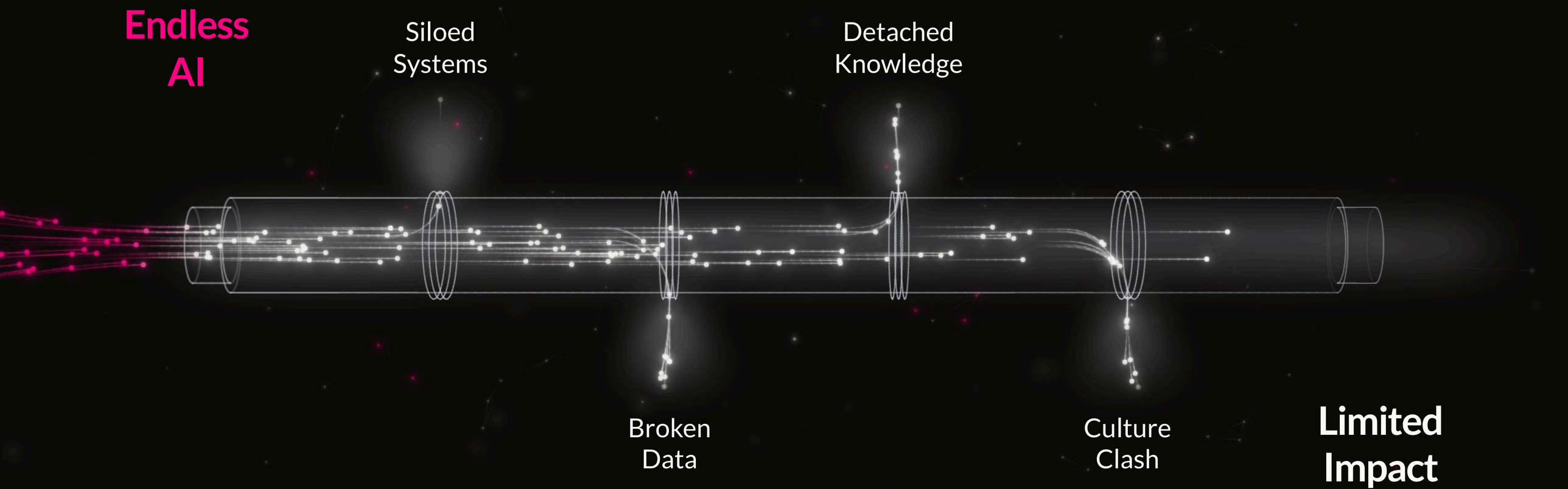
**Nick Stead**
SVP Finance



# Agentic Operations

**Adina Eckstein**
Chief Operations Officer

# AI can’t fix your plumbing



# Lemonade OS



# Before we get started ...

## Agentic Work

Modifications have been made for visual perceptibility

## Metrics & Data

All figures displayed in the system are solely illustrative

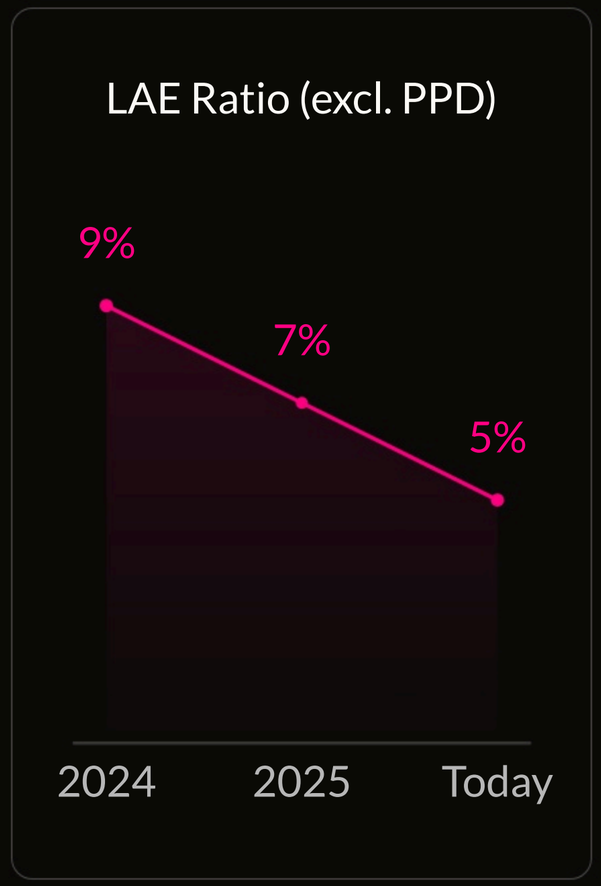
## Capabilities

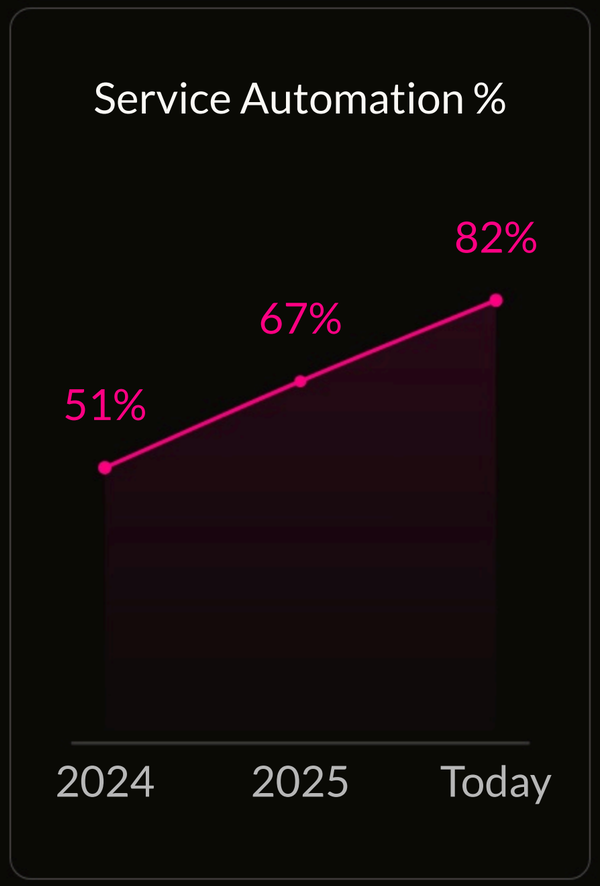
Some featured tech is in active development, launching soon

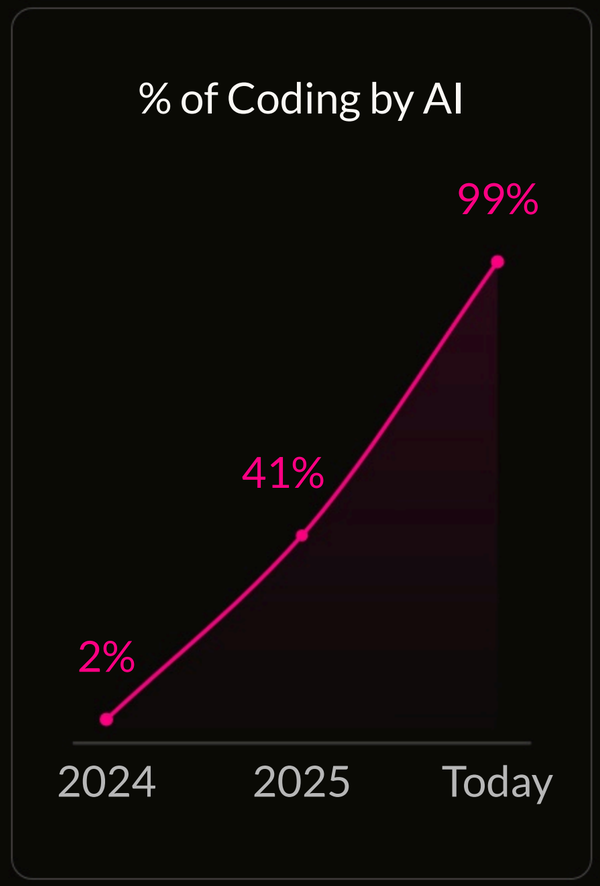
# The insurance compounding machine

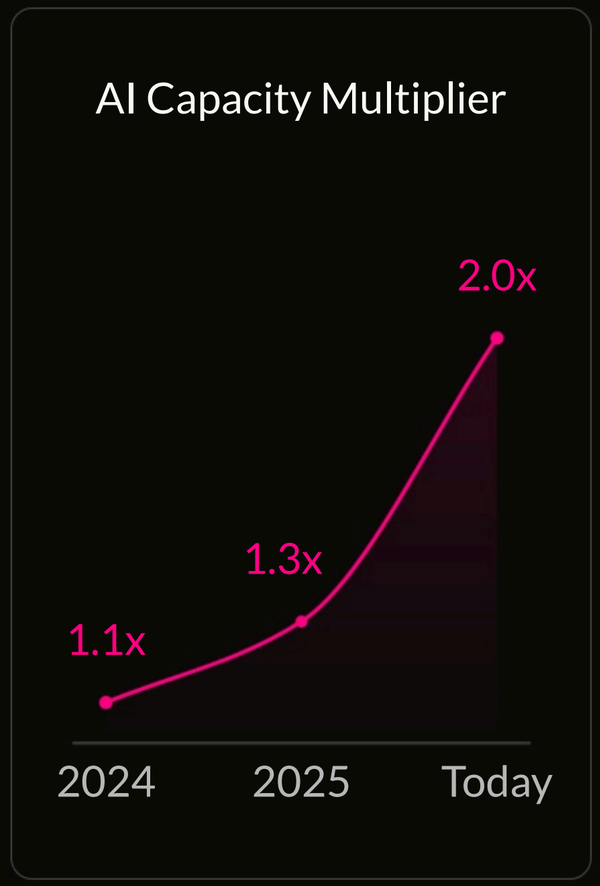


# Unparalleled operational efficiency



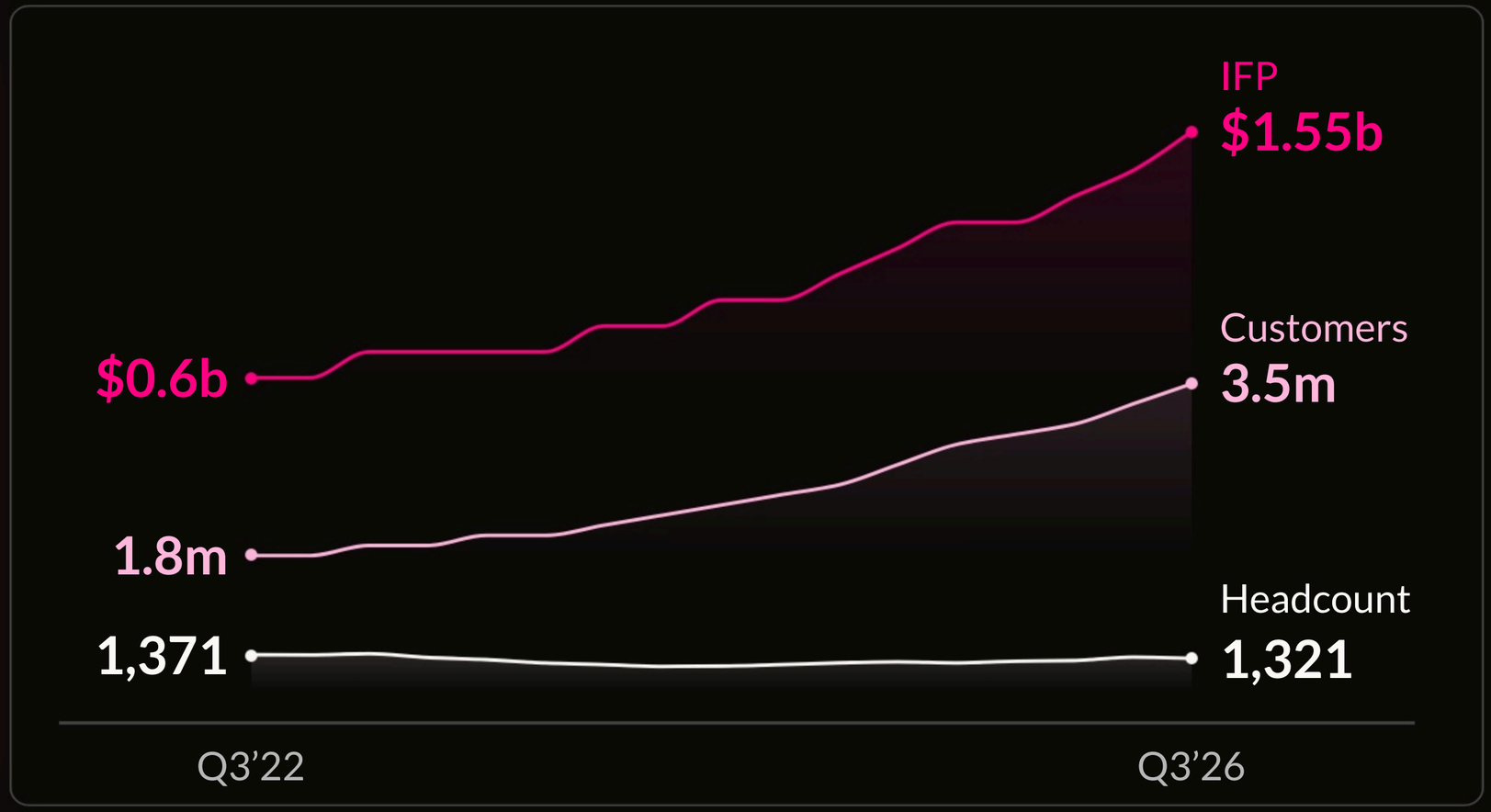



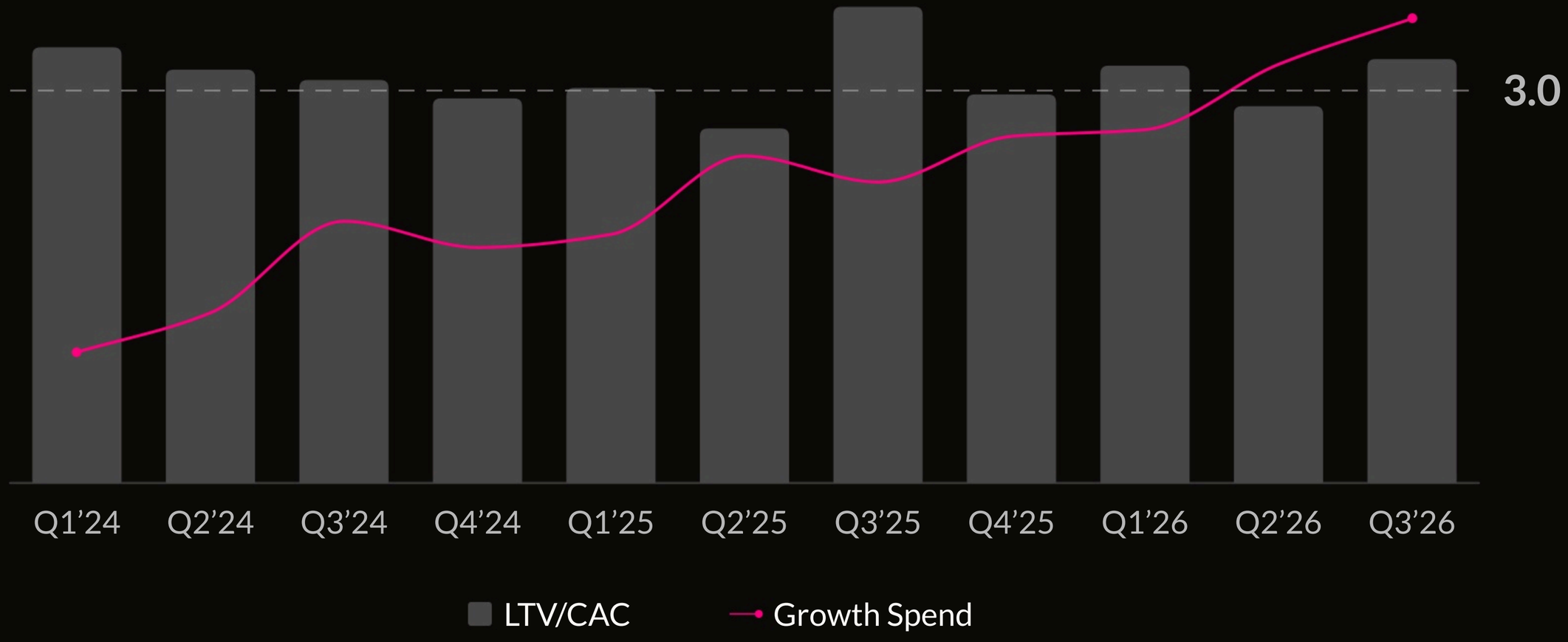
# Unparalleled operational efficiency

**$400m**

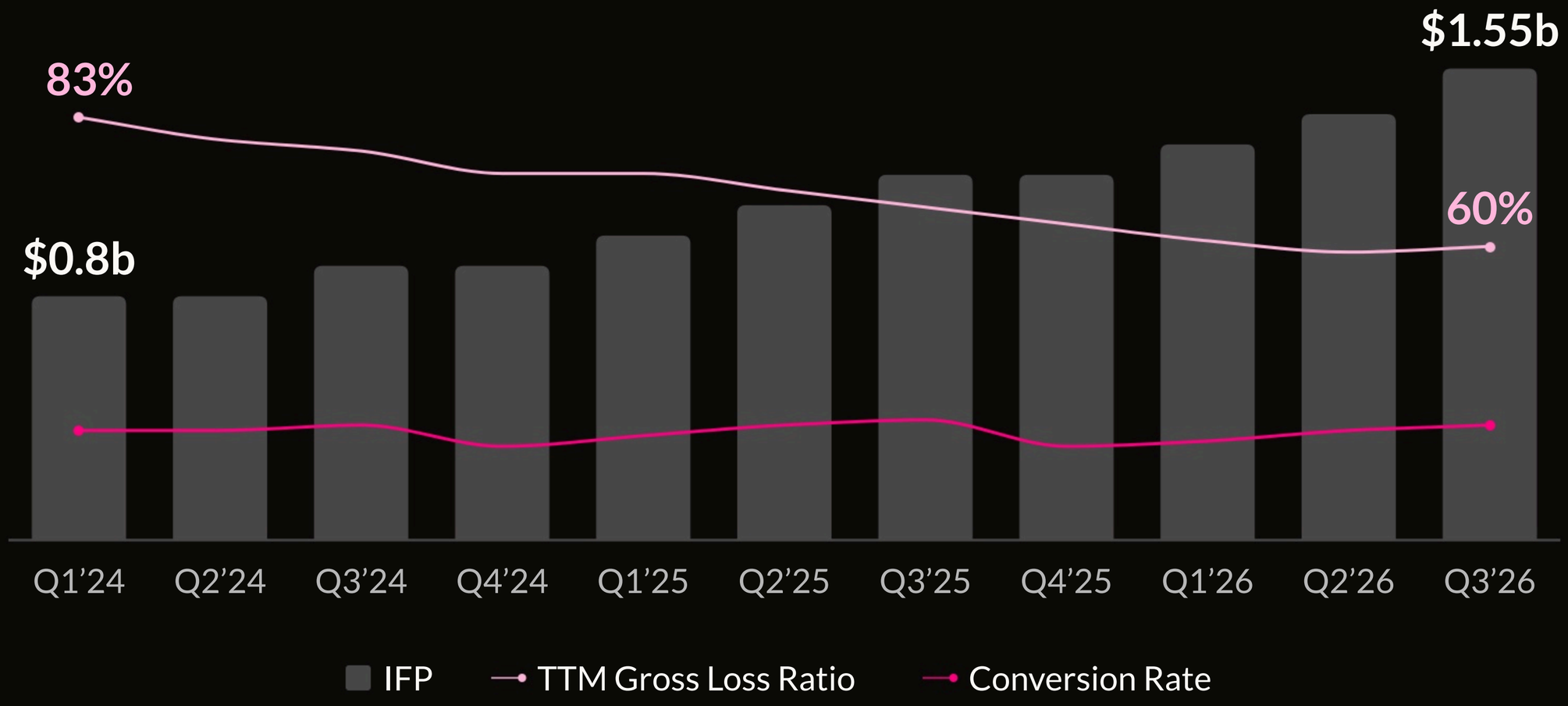
Saved since 2022



# Unit economics hold while spend scales



# Growth up and loss ratio down without harming conversion

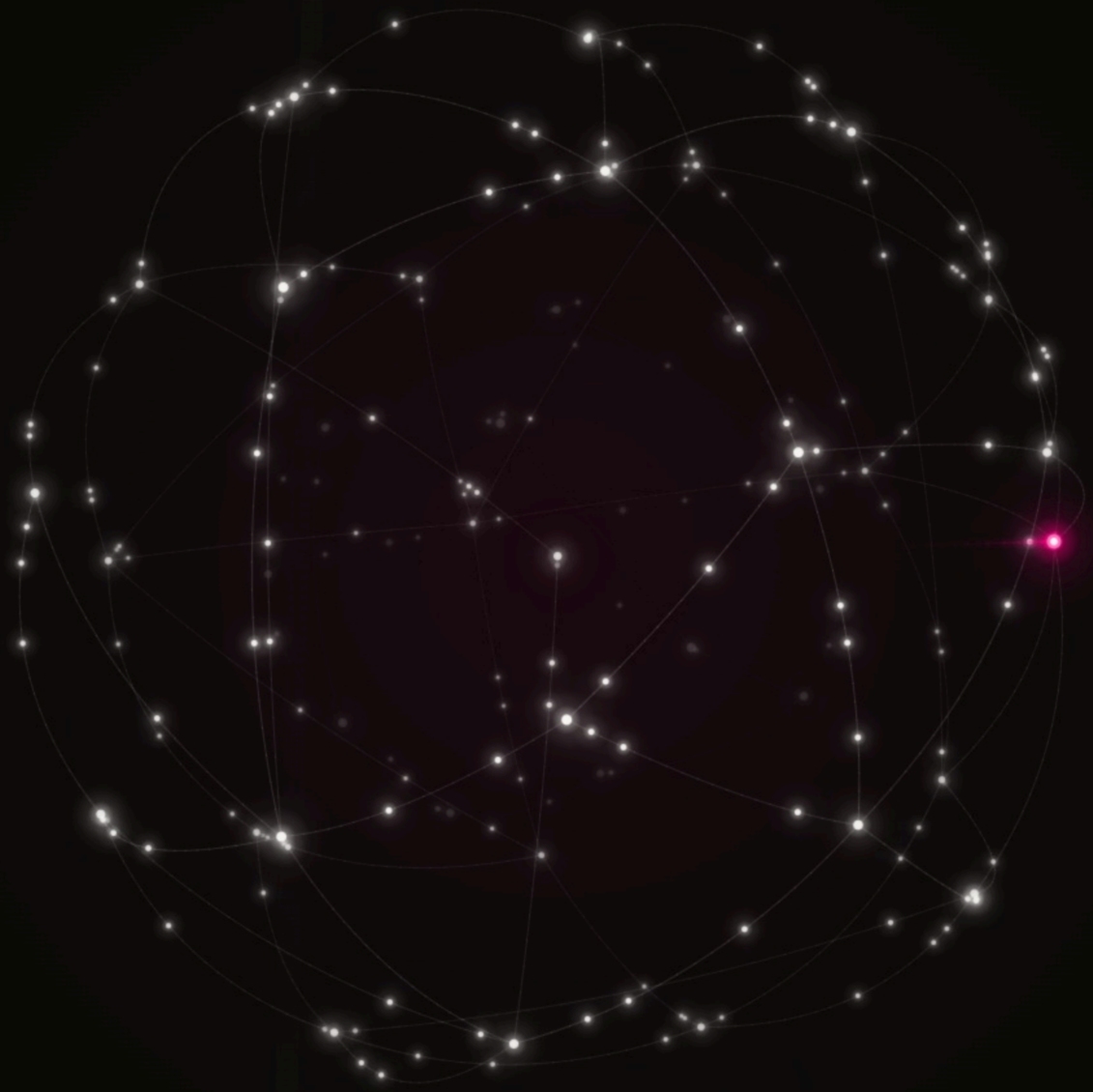





Conversion rate is the ratio of distinct customers who bound a quote over the number that created a bindable quote in the same period.

# Infinite Compounding





# Car Car Car

**Maya Prosor**
Chief Business Officer

# Car is our biggest growth lever

**~$400b**

US PERSONAL AUTO INSURANCE MARKET



Source: 2025 NAIC Market Share Report

# Our Car business today

IFP Growth

63%

Gross Loss Ratio

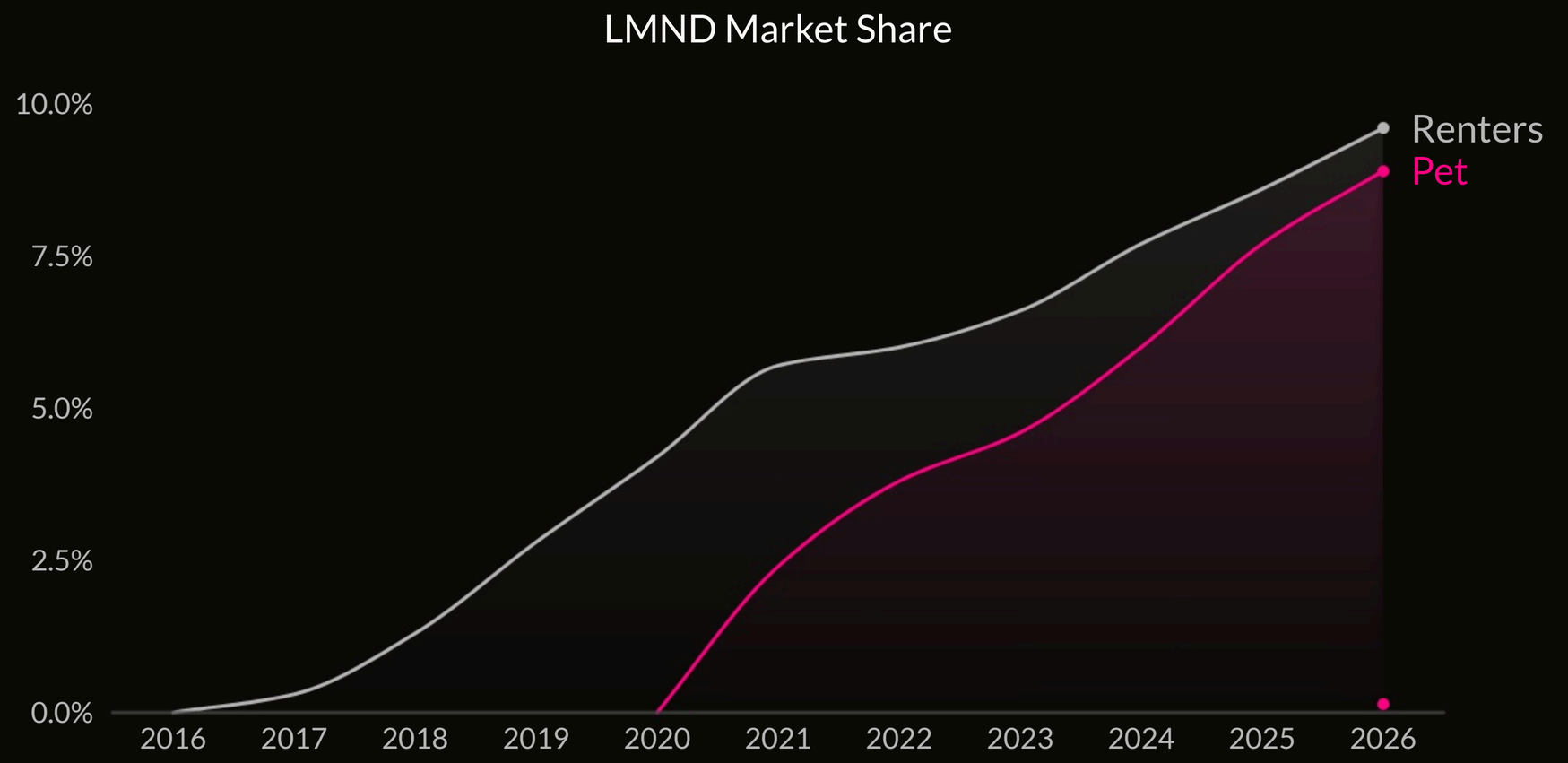
63%

Bundled IFP

43%



# We've built up a powerful position




% of Market Policy Growth Won by LMND

Renters

**~50%**

Pet

**~40%**

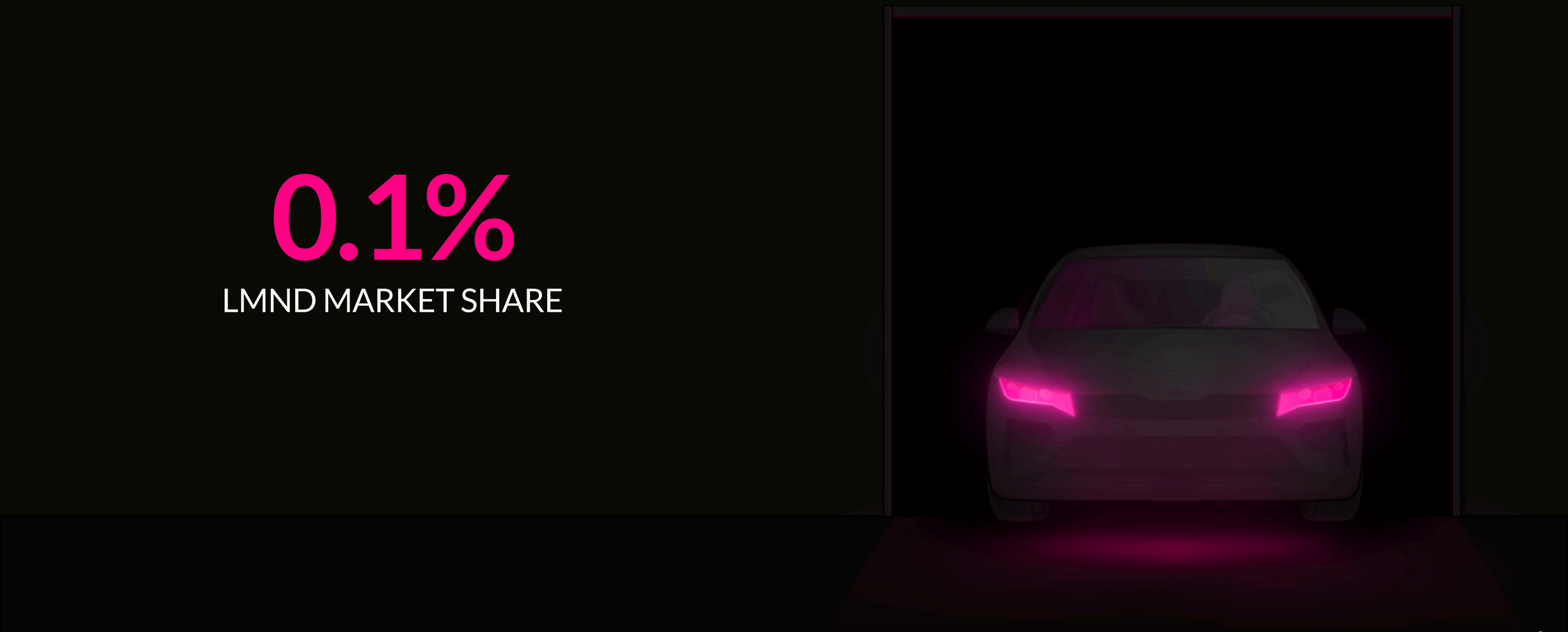


Sources: NAIC Homeowners Reports, NAPHIA State of the Industry Reports, Management Estimates

# Small share.
# Enormous potential.

**0.1%**

LMND MARKET SHARE





Source: 2025 NAIC Market Share Report

# How do we win Car?



Price



Price



Price

# We have a formidable structural advantage

**Cost**
to Acquire

**Cost**
to Serve

**Cost**
of Risk

COST TO ACQUIRE

# Already our customers before they're in market

# >$100m

CAC-LESS CROSS-SALES IN 2026

COST TO SERVE

# Relentless efficiency

Avg. Claim Handling Cost

**>60%**

REDUCTION
OVER 3 YEARS

Avg. Customer Service Cost

**>50%**

REDUCTION
OVER 3 YEARS

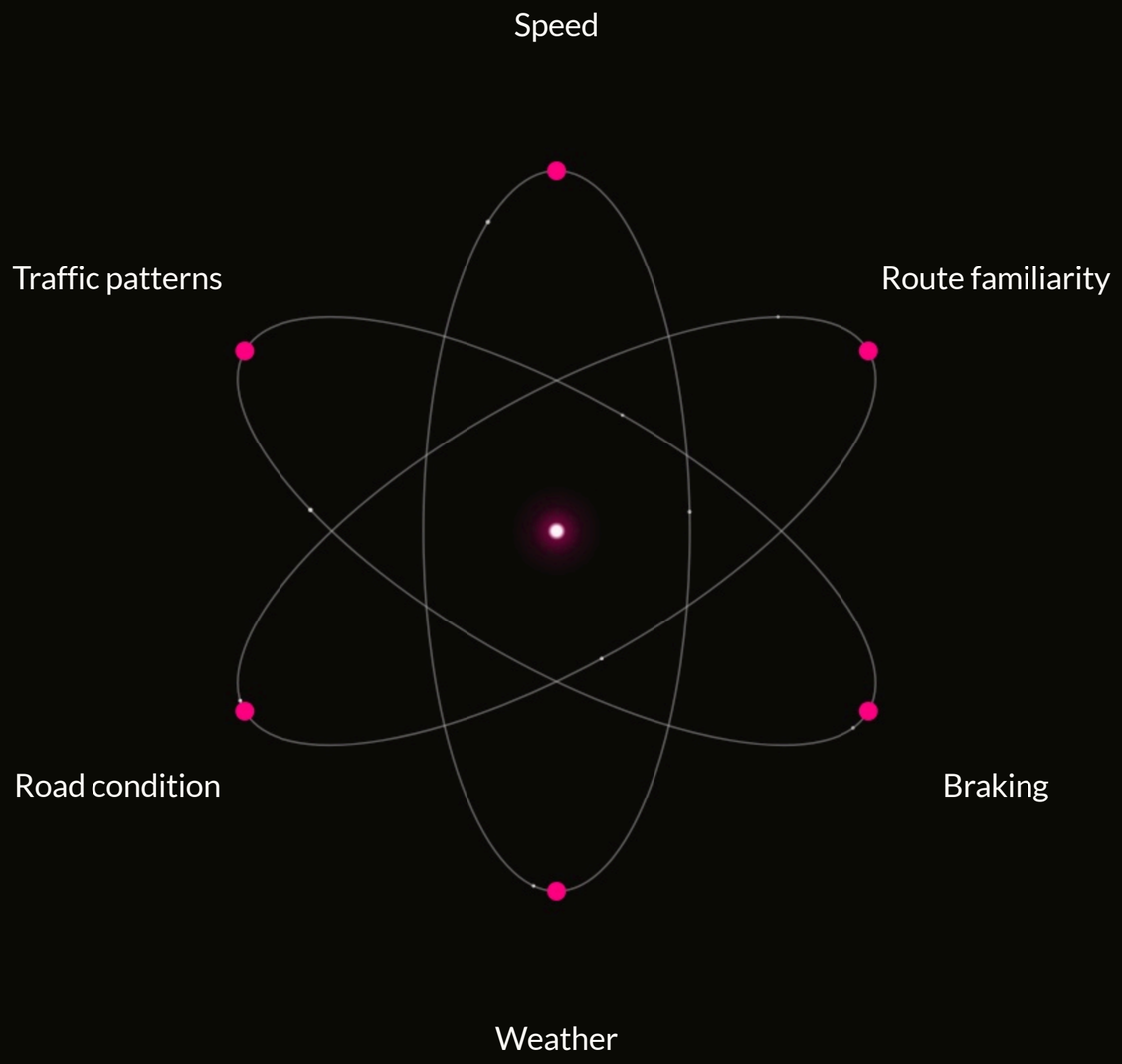
**6%**

Q3 Car LAE Ratio

COST OF RISK

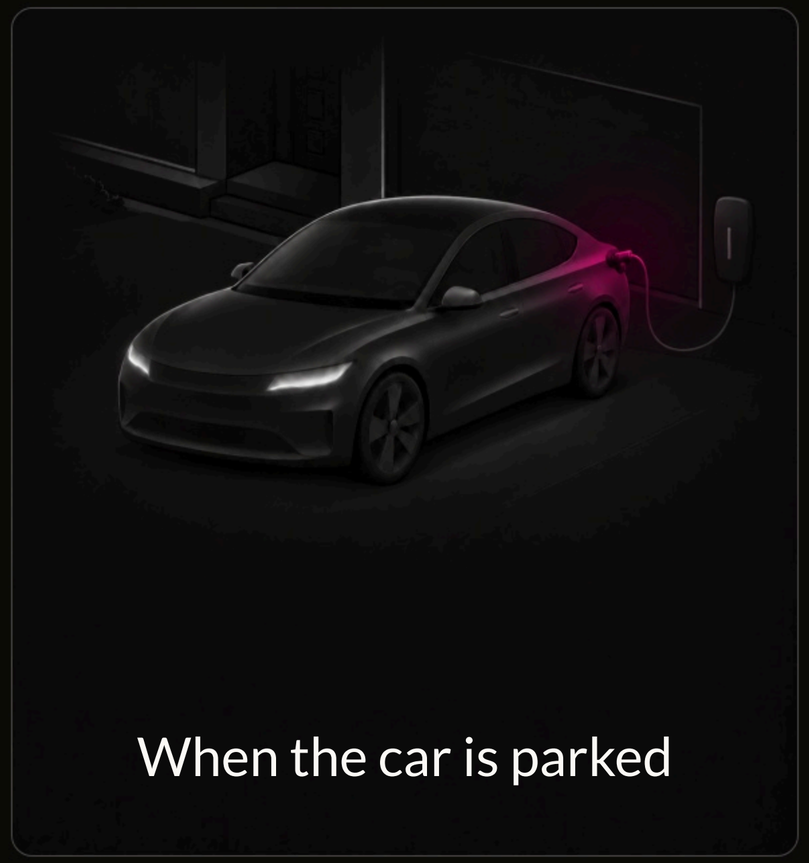
# A sharper view of risk. A more precise price.

- ✓ Going beyond proxies
- ✓ Continuous new input adoption

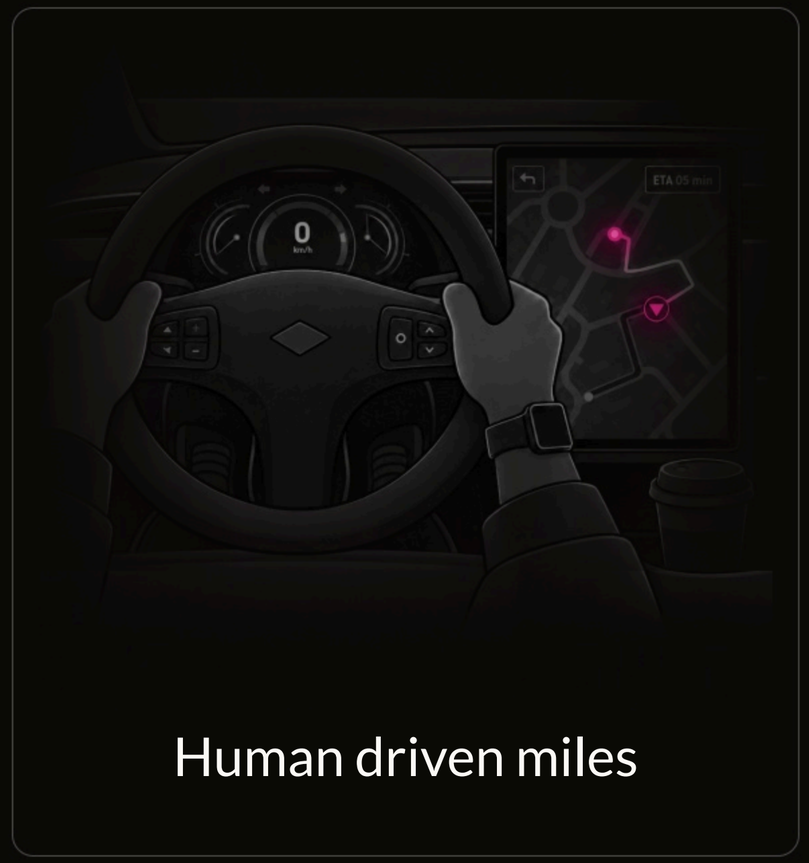


COST OF RISK

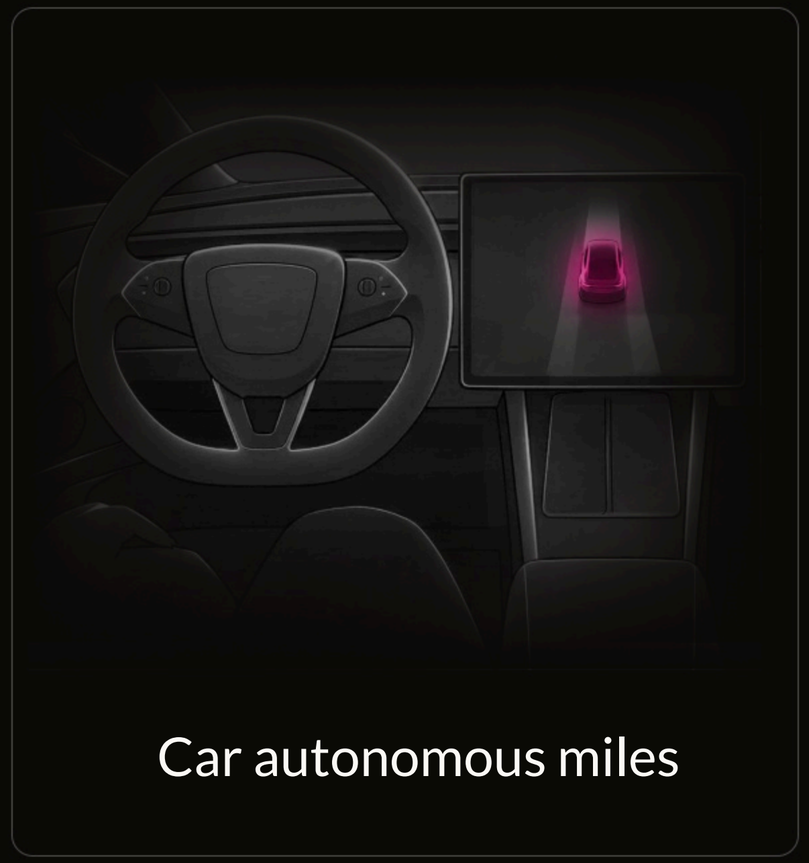
# Completely different risks at atomic level



When the car is parked




Human driven miles



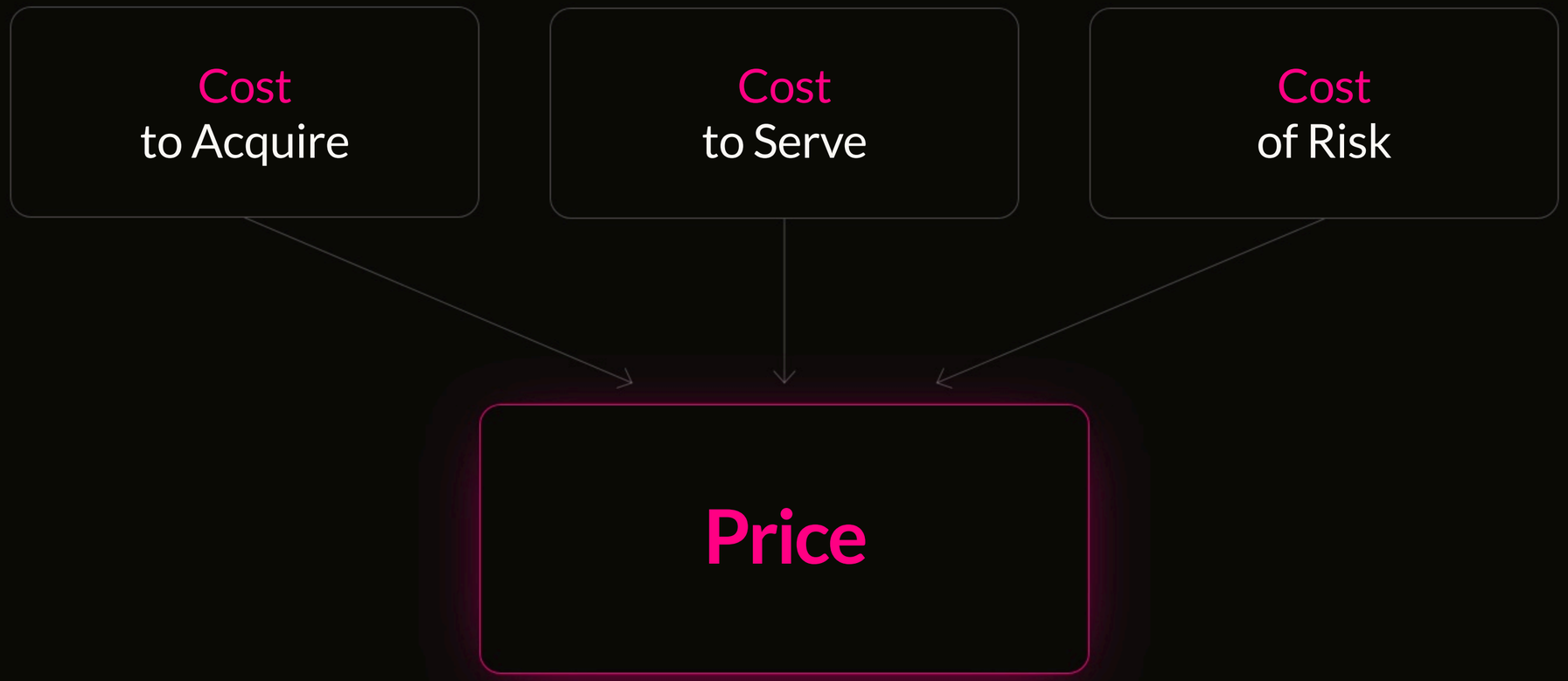
Car autonomous miles

COST OF RISK

# Making money when we lower prices by 10%

| Conversion | Retention | Gross Loss Ratio | Lifetime Gross Profit |
|---|---|---|---|
| ↑50% | ↑10% | ↑2% | ↑10% |

# Structural cost advantages compound



# Started with the customers we know best




Conversion

**1.5x**

Loss Ratio

**+0%**

# Young drivers are mispriced by proxies




Price vs. Market

**-22%**

Loss Ratio

**+0%**



Source: Leading comparative rater

# Low mileage drivers are mispriced by self-reporting




Price vs. Market

**-25%**

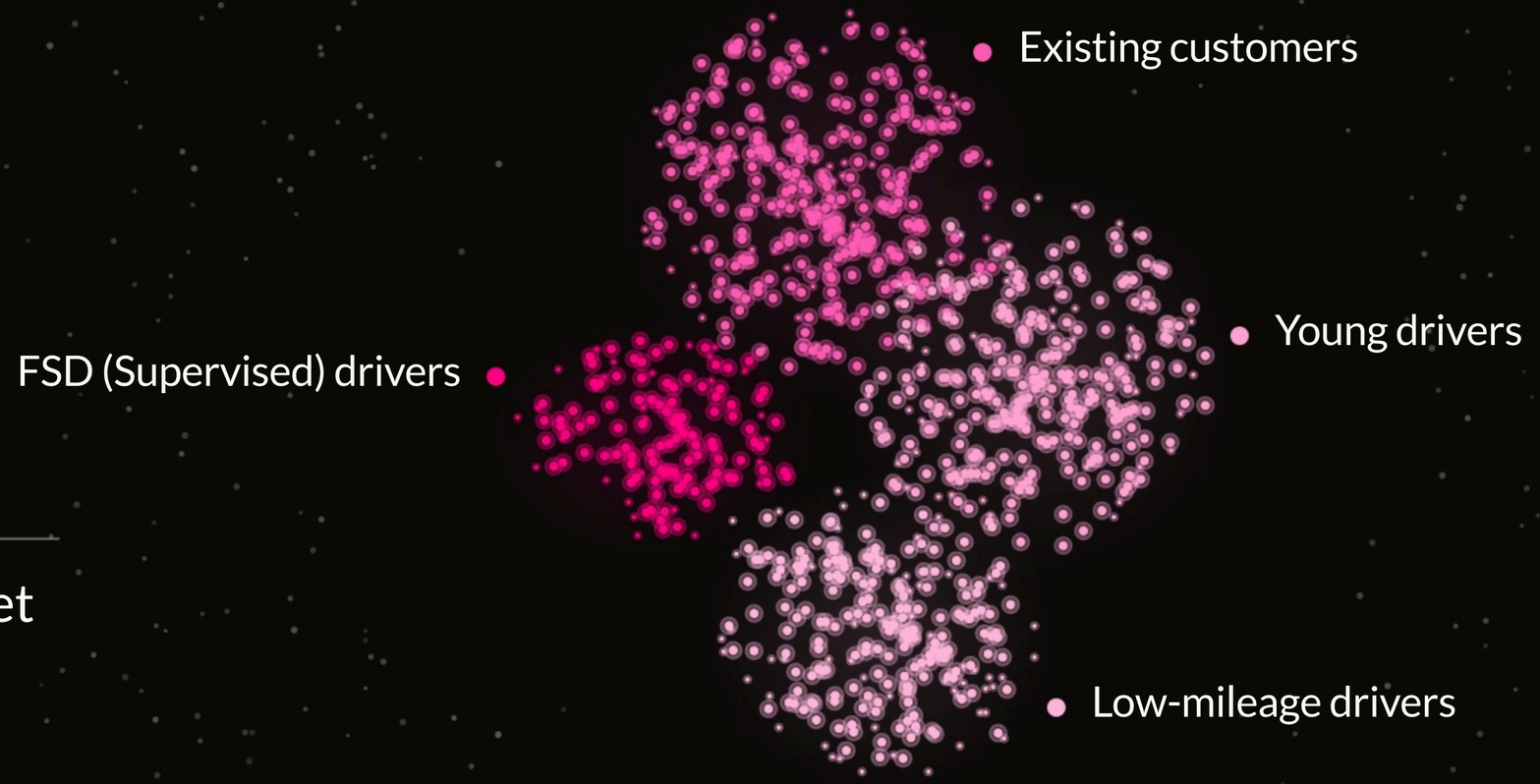
Loss Ratio

**+0%**



Source: Leading comparative rater

# FSD is mispriced because of novel tech




Price vs. Market

**-31%**

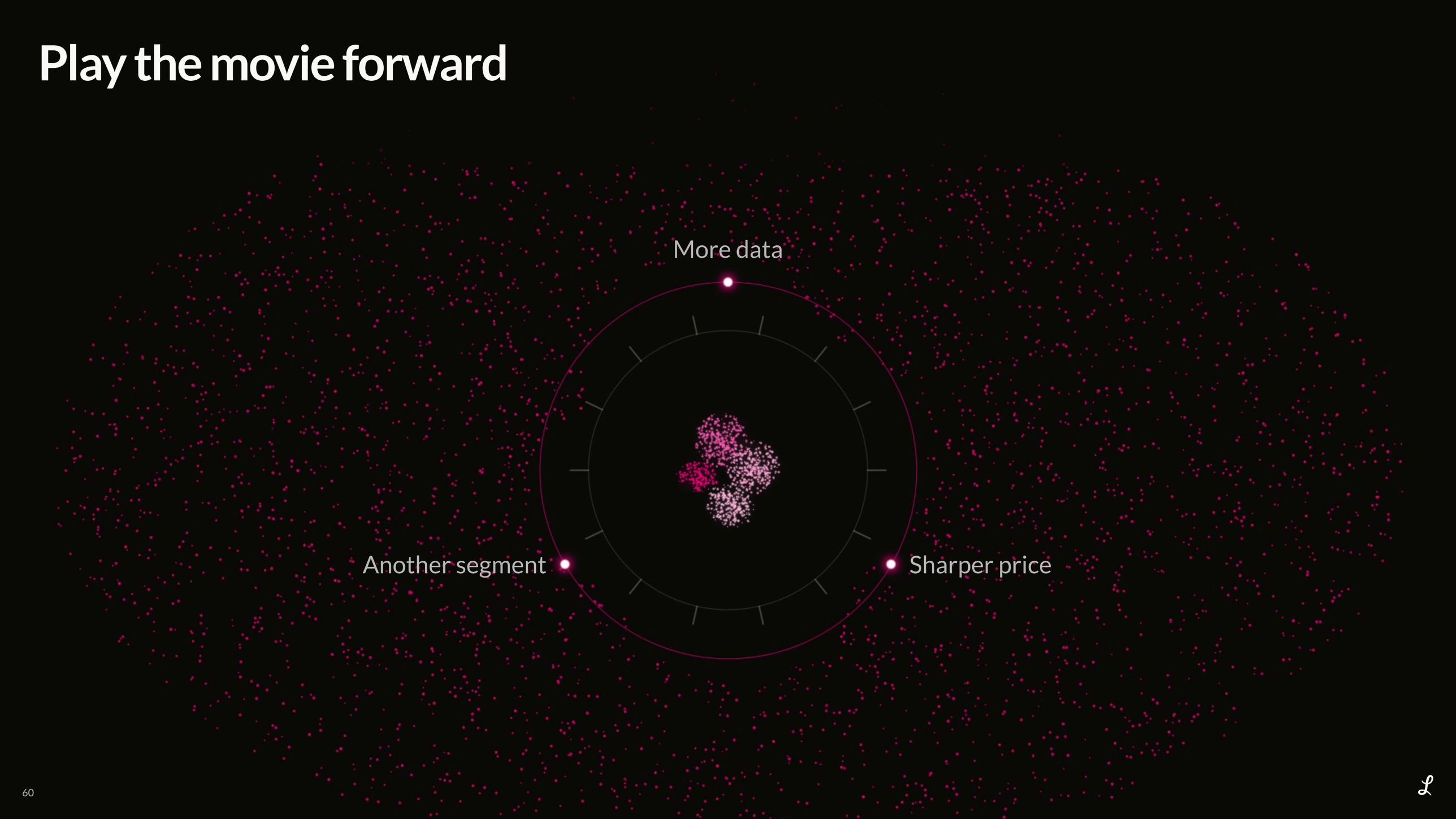
Loss Ratio

**-8%**



Source: Leading comparative rater

# Play the movie forward



# Lemonade OS


Customer-facing agents
Analyst agents
Product agents
Support agents
Personal agents
Insurance agents
Compliance agents
Claims agents
Coding agents
Marketing agents

# Who do you think is built for this moment?





# Compounding Model

**Tim Bixby**
Chief Financial Officer

**Nick Stead**
SVP Finance

# Financial goals in the next phase

| | | |
|---|---|---|
| **Growth** | **30%+**<br>Annual IFP growth | |
| **Profitability** | **Adj. EBITDA+**<br>FY 2027 and onward | **Net income+**<br>FY 2028 and onward |
| **4yr view · 2030** | **$5b**<br>IFP | **$400m**<br>Adj. EBITDA |
| **6-7yr view · 2032-3** | **$10b**<br>IFP | **$1b**<br>Adj. EBITDA |

# Our LTV model is highly predictive and accurate

**<5%**

**Actuals vs. predicted variance**

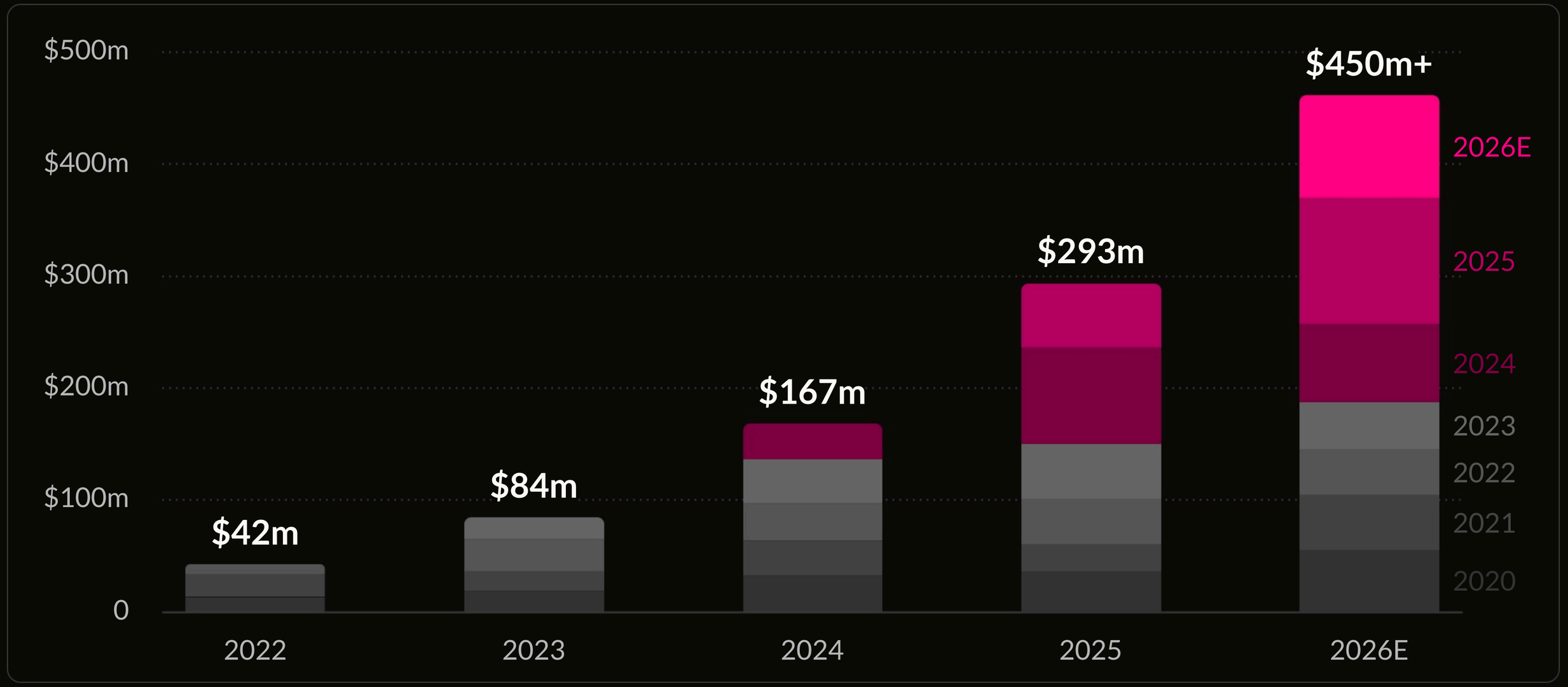
Across 2023, 2024 & 2025 cohorts

**~5x**

**Growth in annual marketing spend**

$55m (2023) → ~$240m (2026)

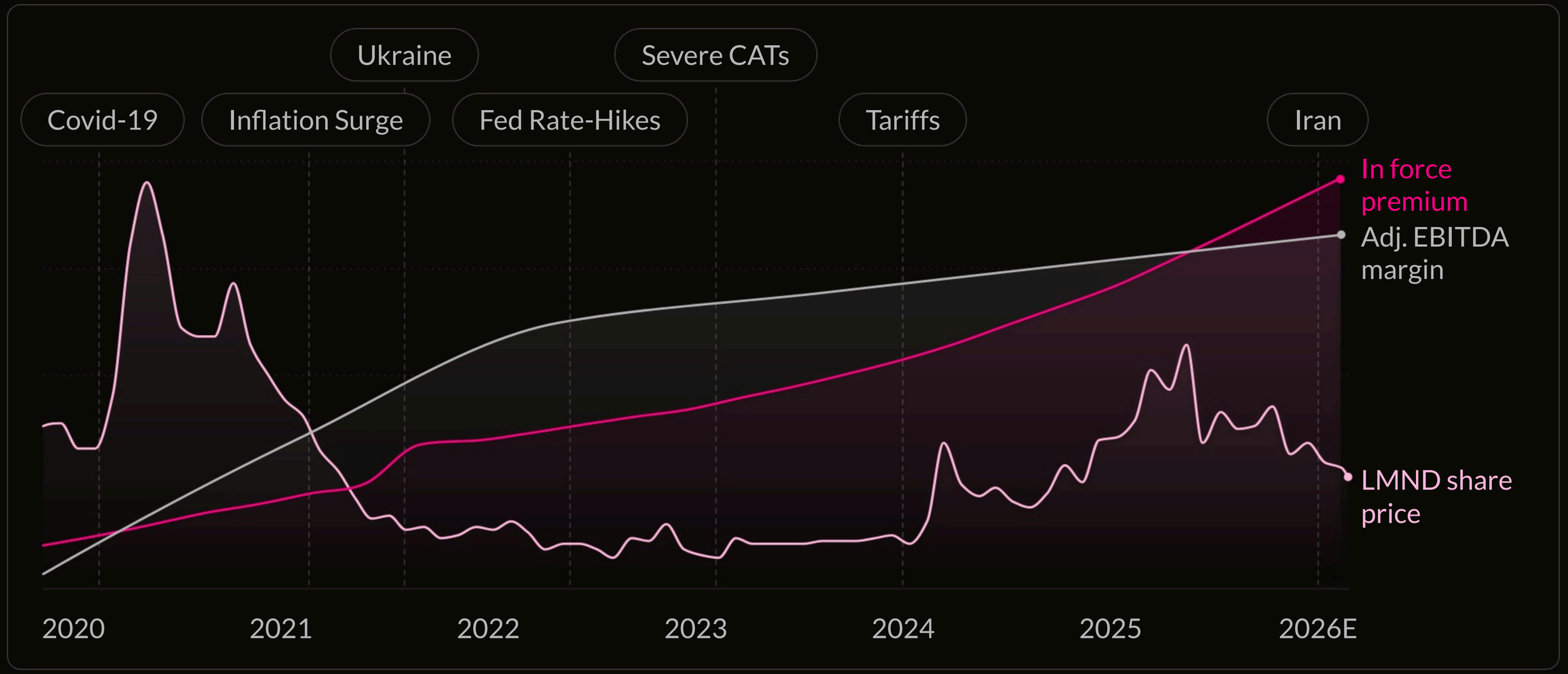
# Gross profit underpinned by profitable, predictable cohorts



# We do what we say - and then some

| Commitment | When we said it | Status |
|---|---|---|
| Beat & raise on guidance | Quarterly | 26 qtrs |
| Expand to cover all insurance needs | IPO | Done |
| Accelerate IFP growth above 30% | Investor Day 2024 | 34% |
| Turn cash-flow positive | Investor Day 2024 | Done |
| Expand across Europe | Earnings calls | Done |
| Improve and stabilize underwriting performance | Earnings calls | Done |
| Adj. EBITDA positive by Q4 2026 | Investor Day 2022 | On track |

# Steady, stable improvement in fundamentals alongside highly volatile world and stock chart

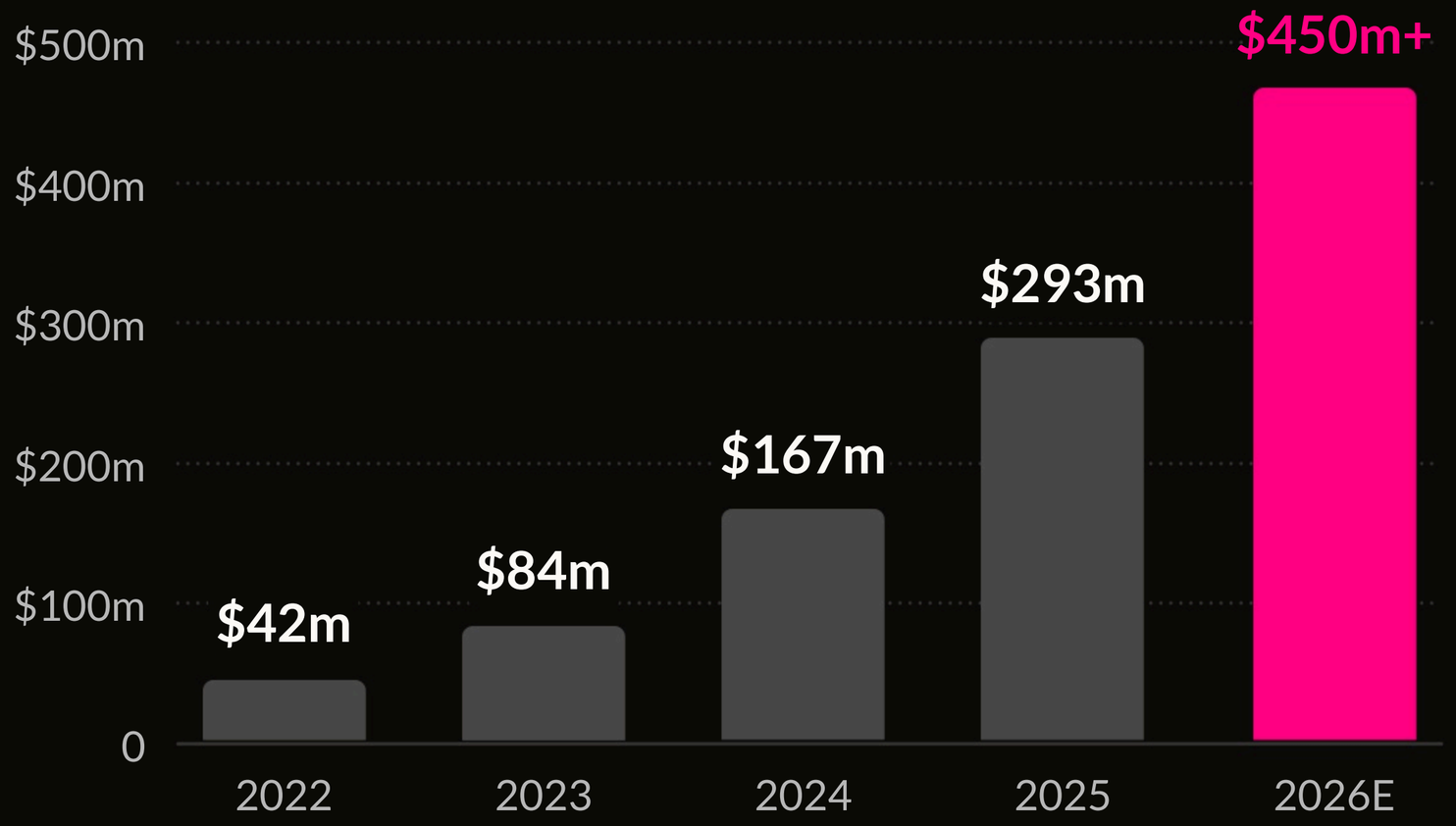





Adj. EBITDA Margin defined as Adj. EBITDA divided by Total Revenue

# Growth acceleration alongside margin expansion powers sustained rapid gross profit growth

## Gross Profit ($m)

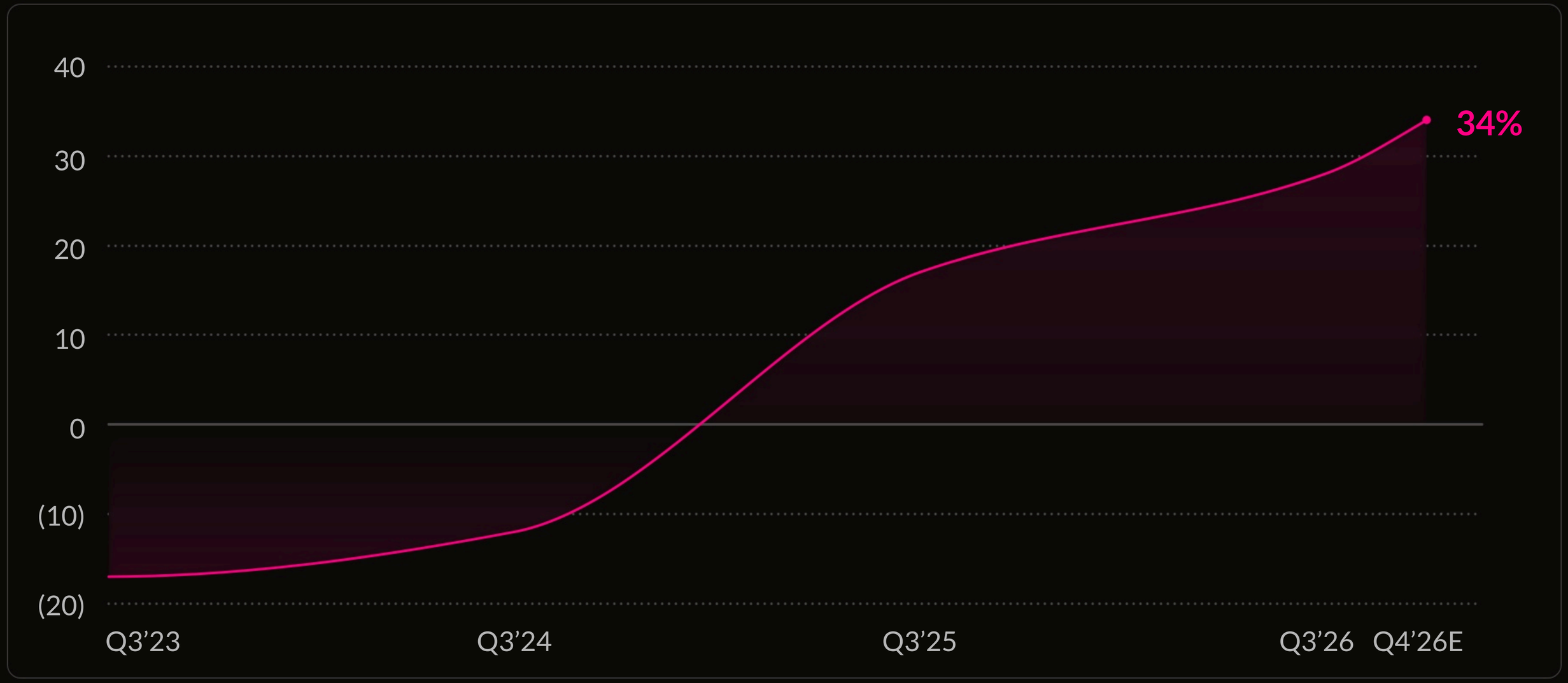



**80%**

4yr CAGR

2022 → 2026E

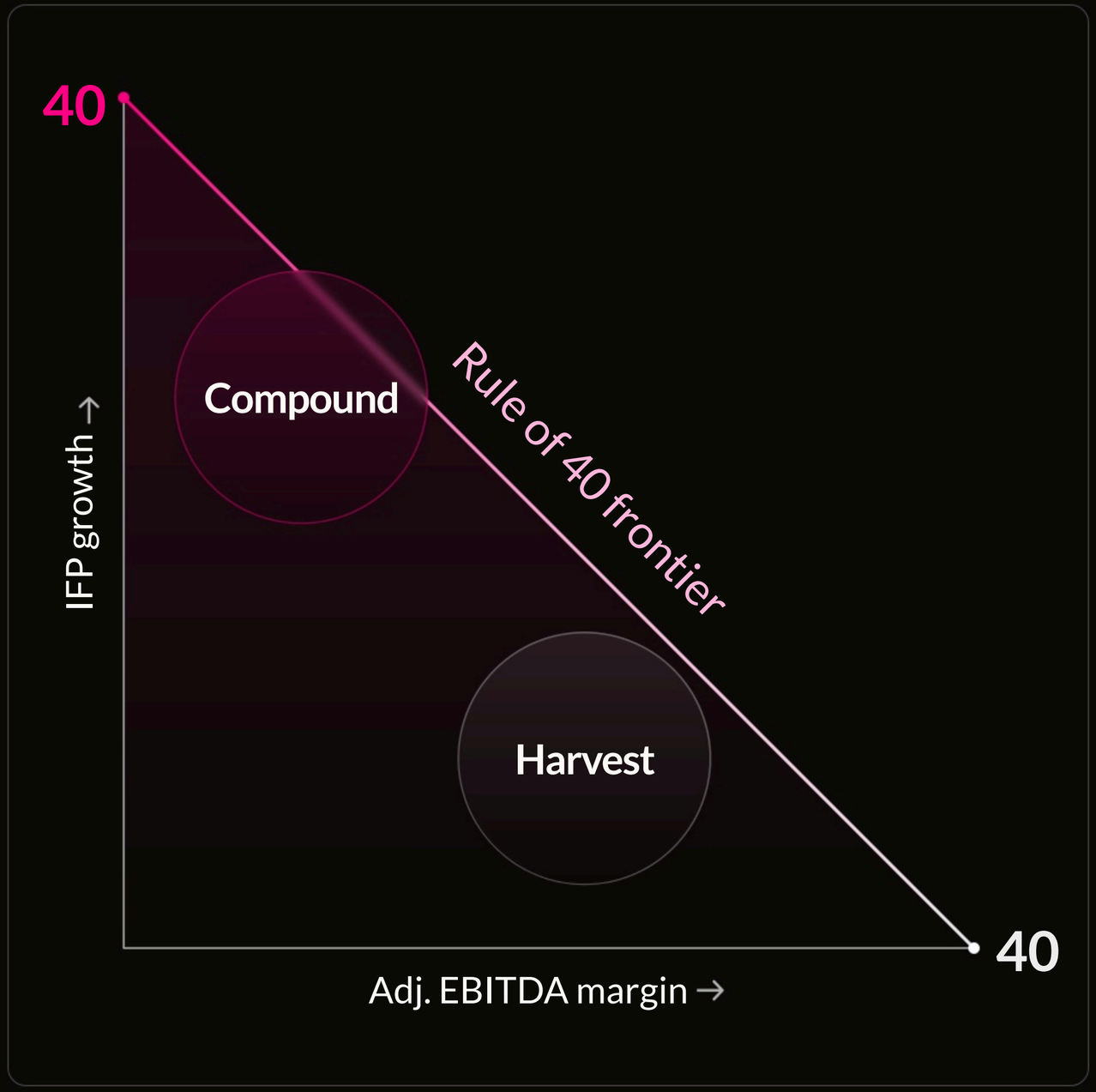
# We’re quickly approaching the Rule of 40






Rule of 40 defined as year over year IFP growth rate plus Adj. EBITDA margin, which is defined as Adj. EBITDA divided by Total Revenue.

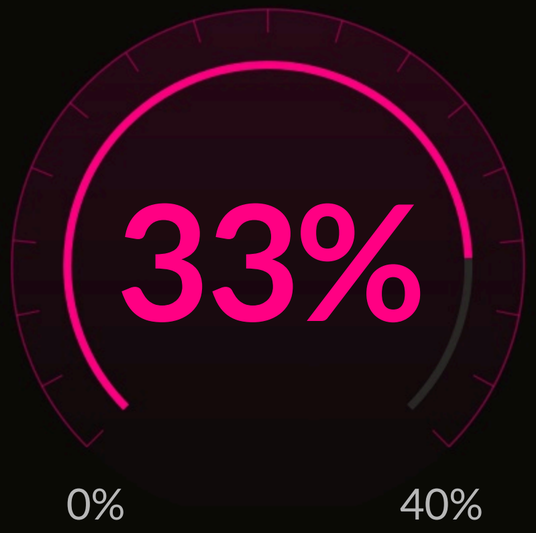
# Two paths ahead: harvest or compound



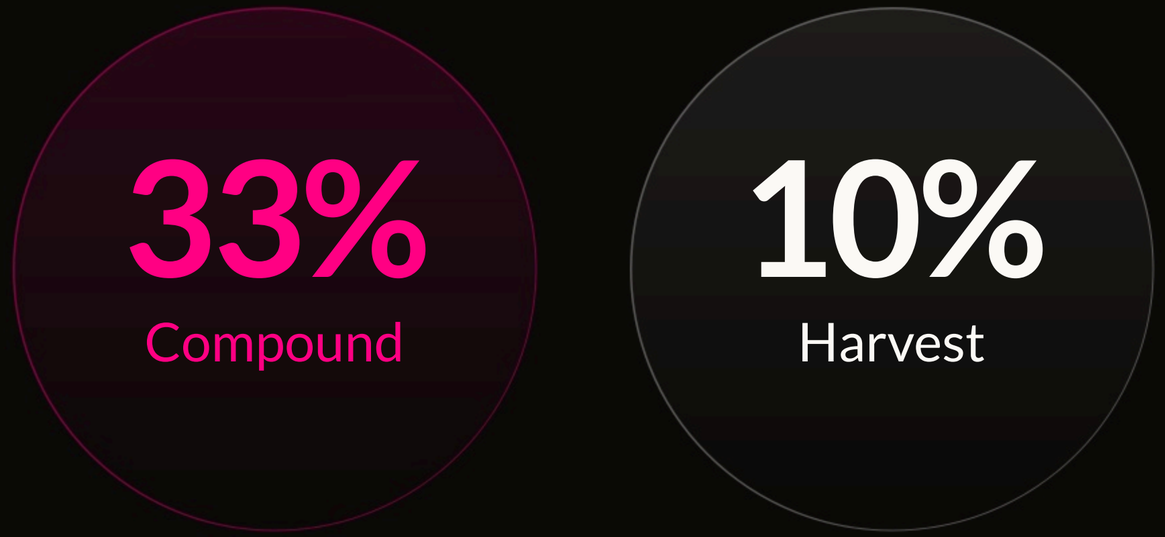



Rule of 40 defined as year over year IFP growth rate plus Adj. EBITDA Margin defined as Adj. EBITDA divided by Total Revenue

# The harvest case is always available to us

| | Compound (2026E) | Harvest (2026 alternate) |
|---|---|---|
| IFP growth rate |  |  |
| 2026E IFP | $1.6b | $1.4b |
| 2026E Adj. EBITDA | ($50m) | $100m |

# Compound vs harvest model simulation



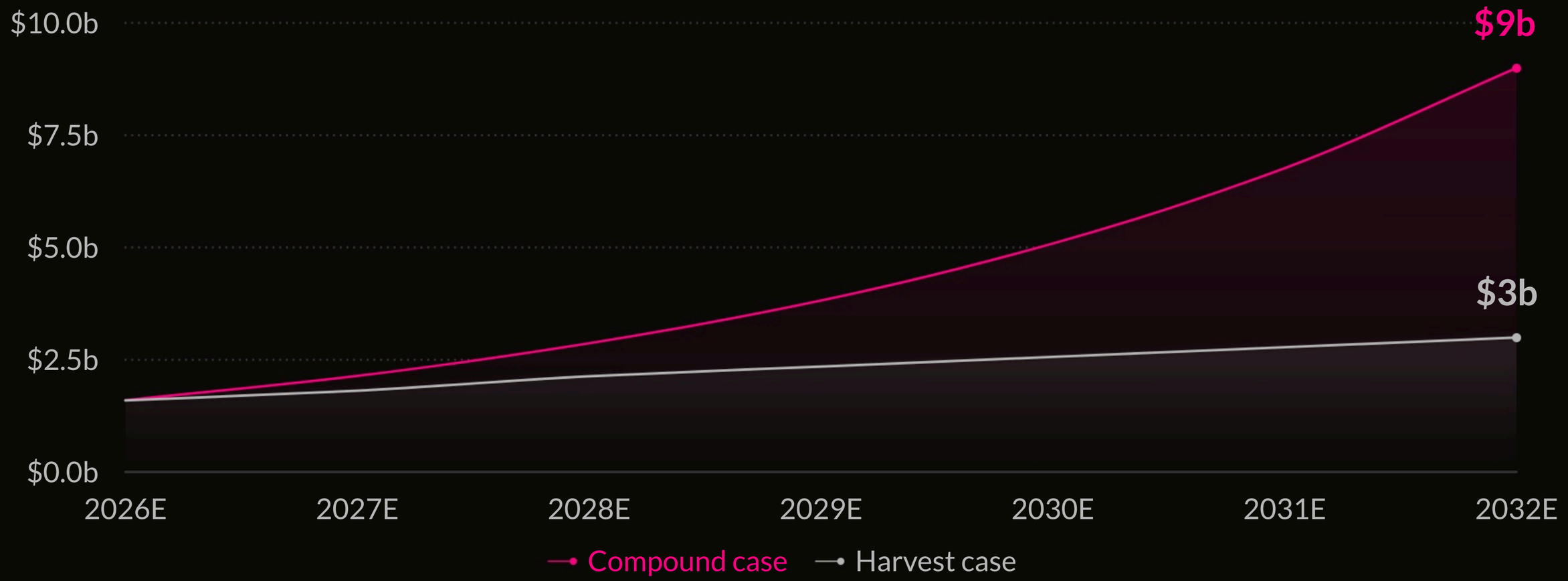

6yr IFP CAGR comparison

# The difference compounds over time

33%

10%

## IFP over time ($b)

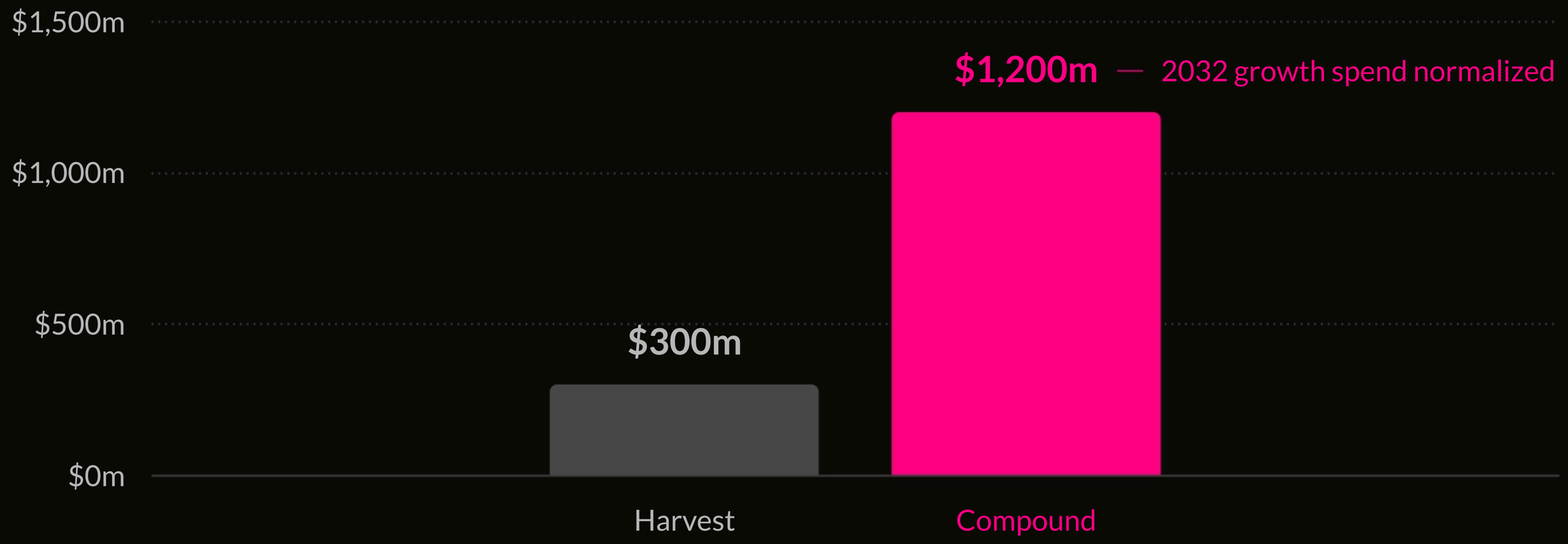


# Compounding generates a larger, more profitable business at scale

33%

10%

## 2032 Adj. EBITDA comparison ($m)



# Key assumptions that underpin compound case

33%
Compound

Car Car Car

Operating leverage

Stable marketing efficiency

# Internal Rate of Return on Customer Acquisition Cost



# CAC IRR

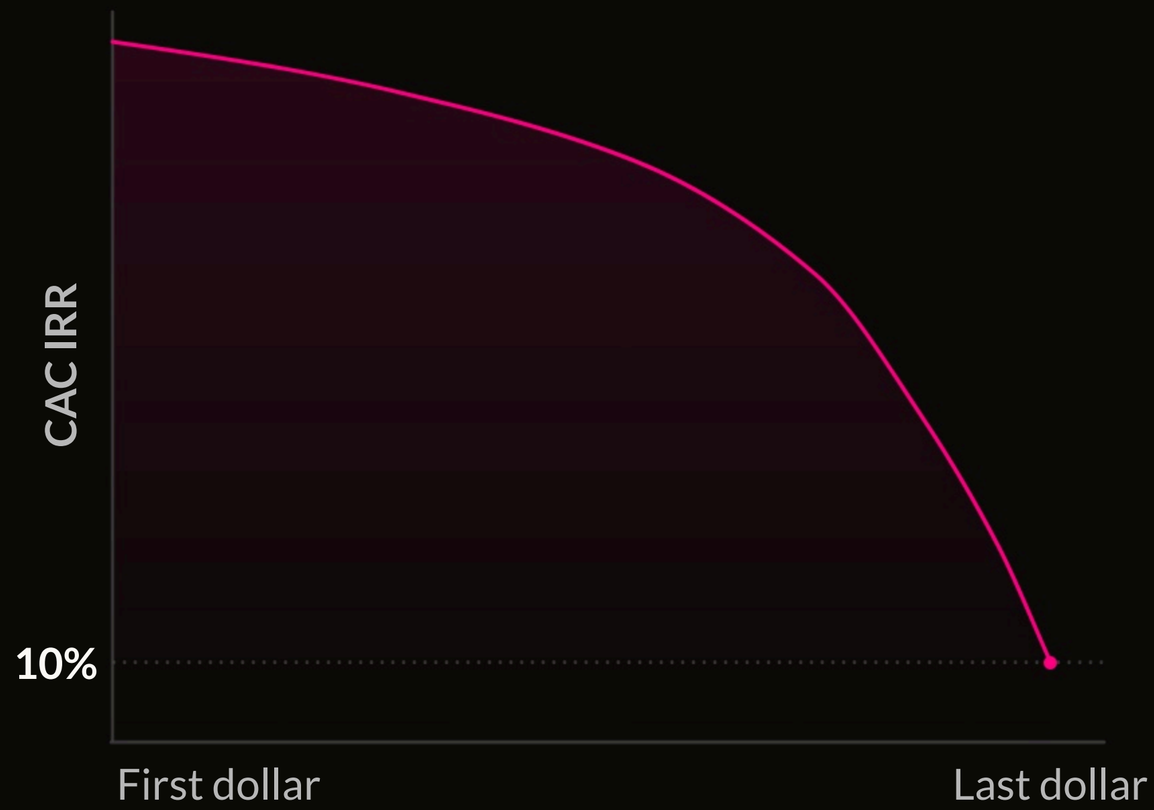
# Our philosophy: maximize profitable growth

**CAC IRR**

**>**

**Growth financing cost**

## Marginal growth spend efficiency






CAC IRR is the annualized rate of return on our growth spend, based on cash flows generated by acquired customers after accounting for all variable costs including but not limited to claims, underwriting, sales, servicing expenses.

# Our philosophy: maximize profitable growth

**CAC IRR**

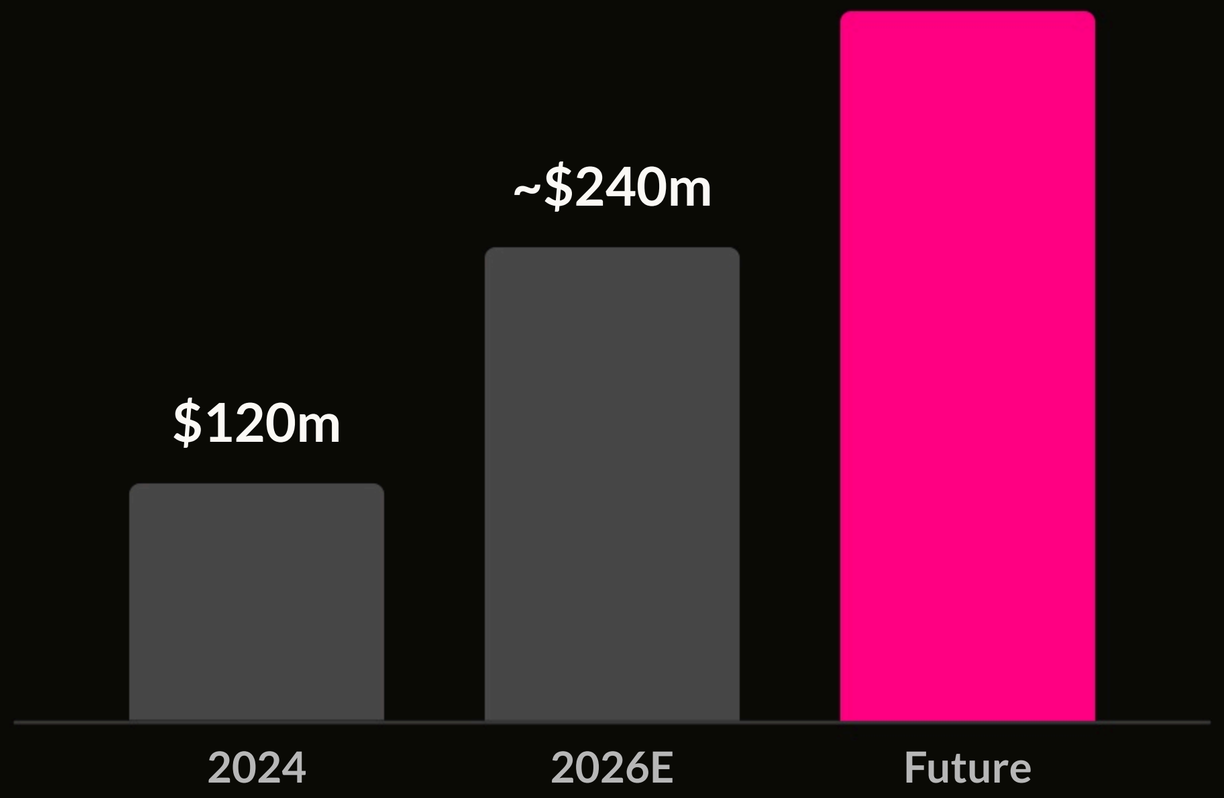
**≈ 50%**

**LTV / CAC**

**≈ 3**

even as investment expands

## Growth spend over time






CAC IRR is the annualized rate of return on our growth spend, based on cash flows generated by acquired customers after accounting for all variable costs including but not limited to claims, underwriting, sales, servicing expenses.

# Growth is a dial we control

IFP growth rate




2032E KPIs

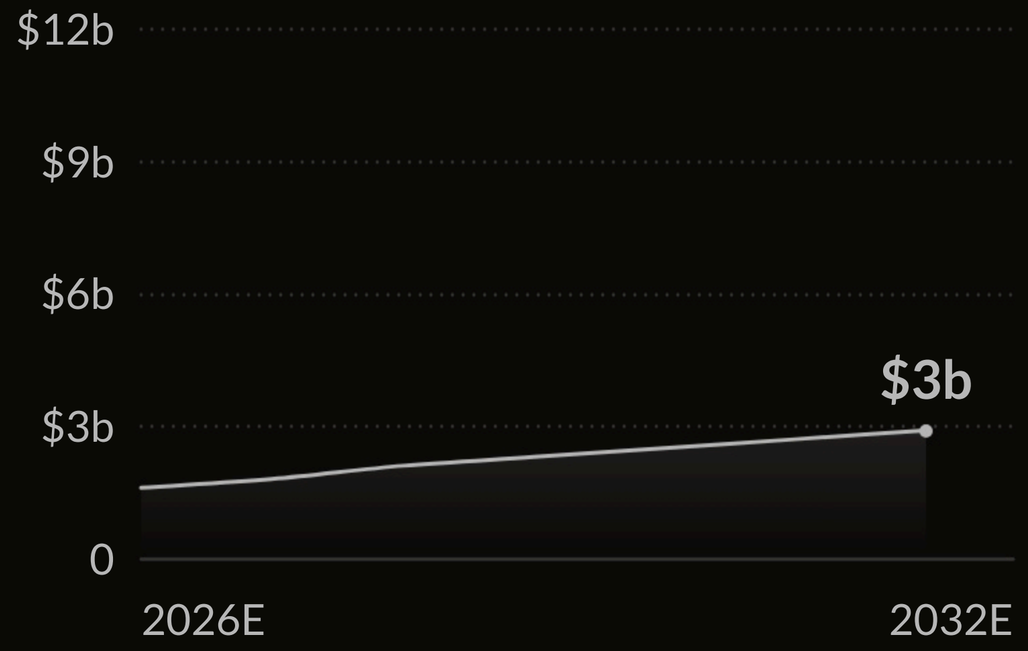
IFP

**$3b**

Adj. EBITDA

**$300m**

## In force premium

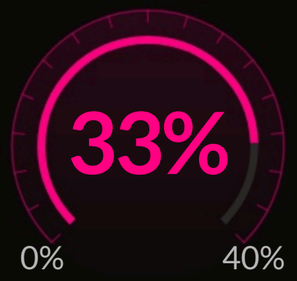



## Adj. EBITDA margin



# Growth is a dial we control

IFP growth rate




2032E KPIs

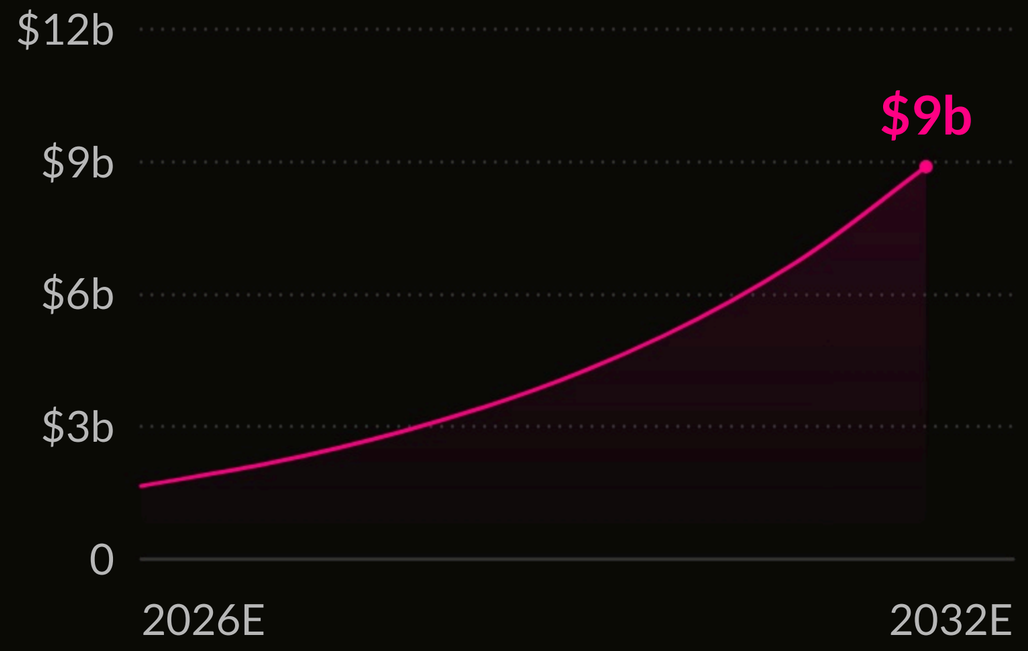
IFP

**$9b**

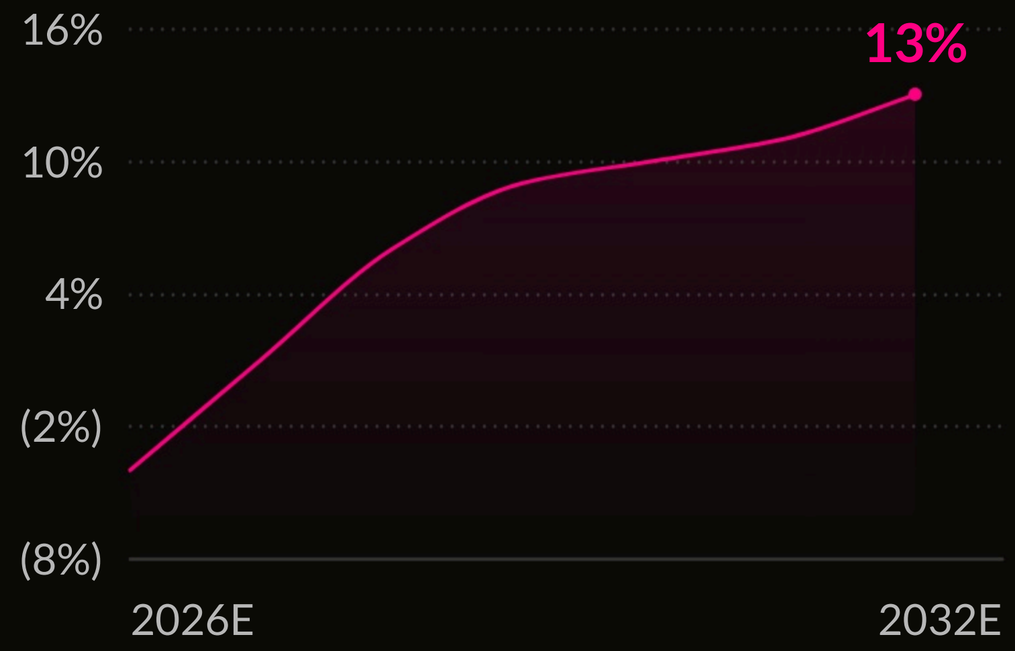
Adj. EBITDA

**$900m**

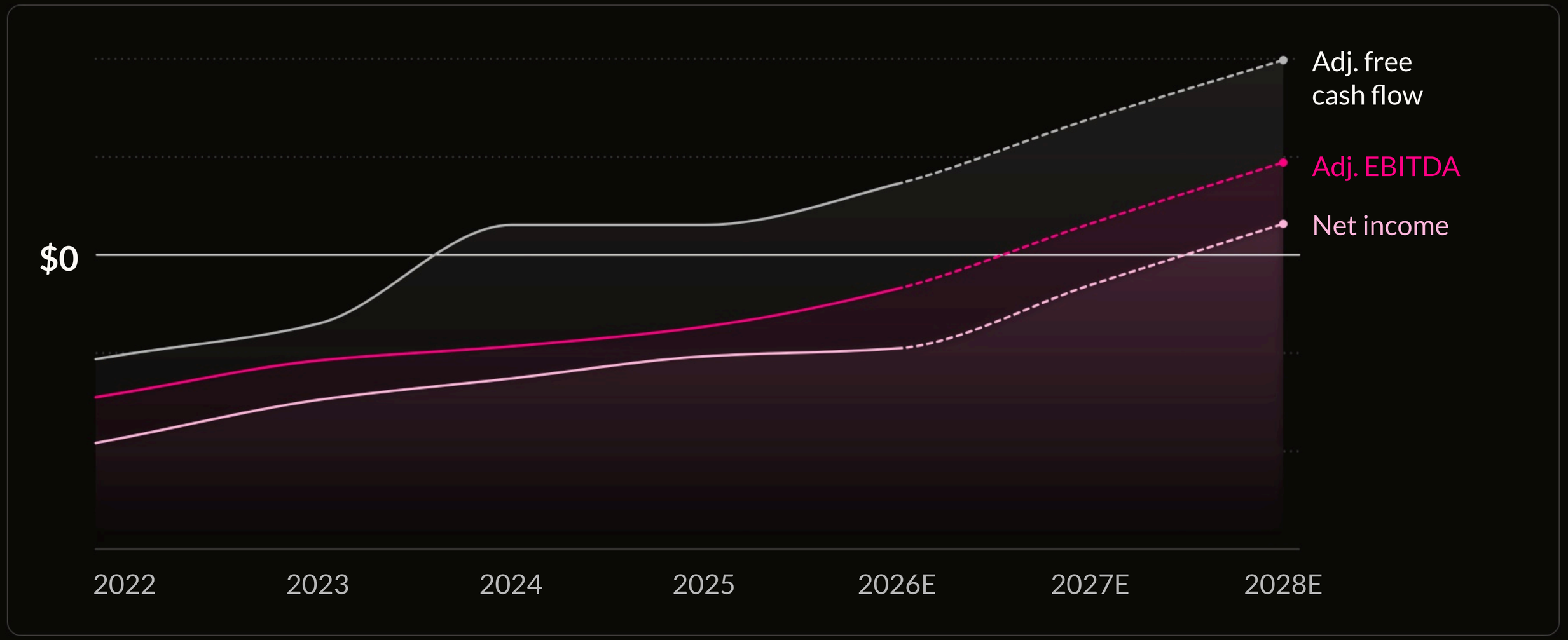
## In force premium




## Adj. EBITDA margin



# Expect to sustain IFP growth rate above 30% while delivering positive net income in FY 2028






Note that chart represents data for all profitability metrics on an annual basis, rather than quarterly.

# We are in control of our destiny

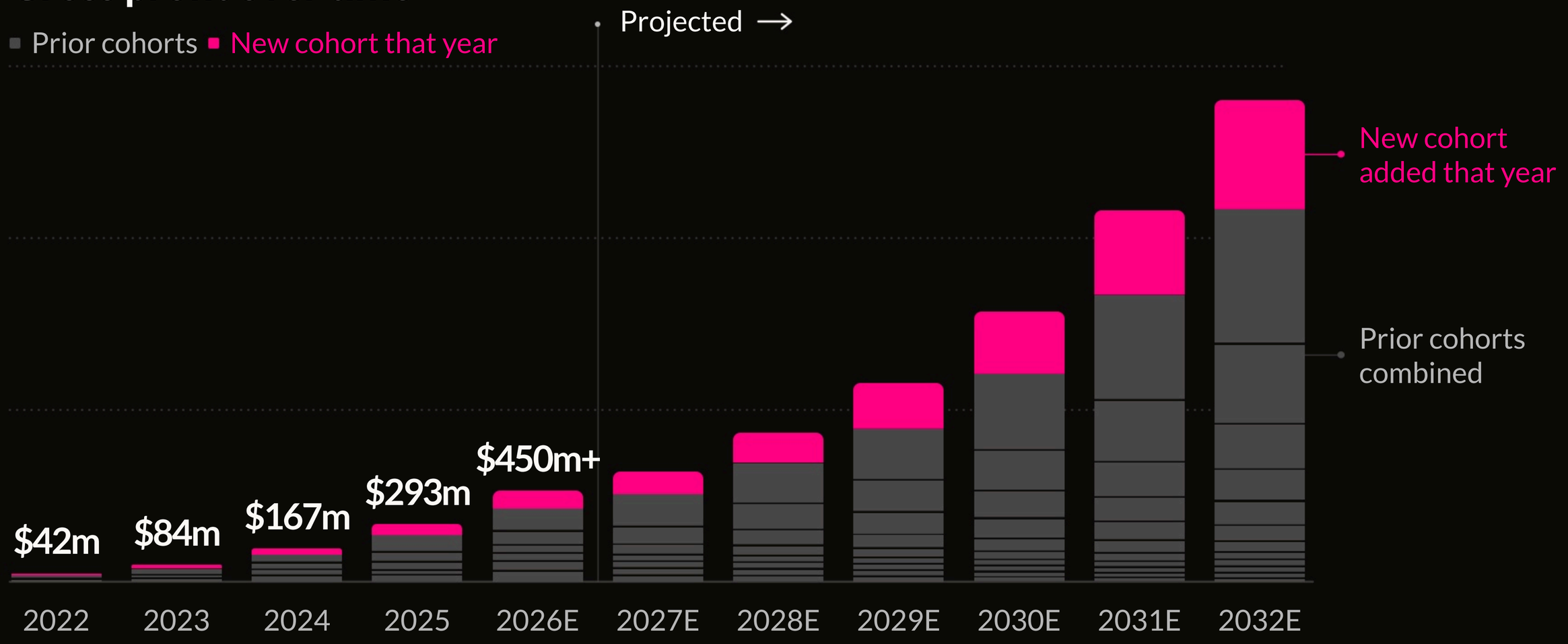
**Adj. EBITDA over time** > **Capital surplus need to fund growth plan**

# ROE > 30%

## Between $5b and $10b IFP

# Play the movie forward

## Gross profit over time



# The road ahead

NEXT 2 YEARS

**30%+** IFP CAGR

**2028+** Positive net income

NEXT 4 YEARS

**$5b** IFP

**$400m** Adj. EBITDA

NEXT 6-7 YEARS

**$10b** IFP

**$1b** Adj. EBITDA

**Reduced risk**

**Flexibility & control**

**Compounding growth engine**