



## Performant Financial Corporation Provides Update on 2021 Strategic Plan

July 2, 2019

LIVERMORE, Calif., July 02, 2019 (GLOBE NEWSWIRE) -- Performant Financial Corporation (Nasdaq: PFMT), (the "Company"), a leading provider of technology-enabled recovery and related analytics services in the United States, today reaffirmed its 2021 guidance targets of \$200 million in revenues and margins in excess of 20%.

Additionally, the Company recently announced its decision to recategorize its end-markets into Recovery, (which includes its student lending, tax, IRS, and Treasury markets, as well as Premiere), Healthcare, and Customer Care / Outsourced Services. These three end-markets are more reflective of the Company's diversified service offerings across a broad spectrum of industries including healthcare agencies, state and federal taxing authorities, other federal agencies and commercial clients. In an effort to help improve operational clarity, the Company will include a historical breakdown of the quarterly and annual revenue contributions under the new breakdowns dating back to 1Q'2017 as part of our upcoming second quarter earnings press release.

"Overall, our results have demonstrated our continued success in transitioning from a company that just a few years ago was heavily dependent on the student lending," stated Lisa Im, CEO of Performant. "In fact, annual Healthcare revenues were up over 161% from 2017 to 2018, which nearly offset the 22% decline in Recovery revenues due to the loss of one historically larger student loan client."

"We believe we have begun to successfully build and scale our Healthcare business over the past five years despite the turbulence, in other markets, specifically: contract delays, cancellations and limitations in the student loan markets. We were awarded a number of contracts in 2017, including the national exclusive Medicare Secondary Payer (MSP), Commercial Payment Center (CPC) contract by CMS, which we officially commenced operations on in February 2018. One key aspect of this contract and many of the contracts that we recently signed is that in general it takes three years before we are seeing the true financial benefit of these awards. We understand that investors are anxious to see results, and we are well in the process of executing on those contracts. As one of the top large shareholders, I personally believe that Performant has the potential for significant, near-term growth potential based on our existing contracts," continued Im.

### About Performant Financial Corporation

Performant helps government and commercial organizations enhance revenue and contain costs by preventing, identifying and recovering waste, improper payments and defaulted assets. Performant is a leading provider of these services in several industries, including healthcare, student loans and government. Performant has been providing recovery audit services for more than nine years to both commercial and government clients, including serving as a Recovery Auditor for the Centers for Medicare and Medicaid Services.

Powered by a proprietary analytic platform and workflow technology, Performant also provides professional services related to the recovery effort, including reporting capabilities, support services, customer care and stakeholder training programs meant to mitigate future instances of improper payments. Founded in 1976, Performant is headquartered in Livermore, California.

### Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our outlook for revenues, net income and adjusted EBITDA in 2019 and 2021. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the high level of revenue concentration among the Company's largest customers and any termination in the Company's relationship with any of our significant clients would result in a material decline in our revenues, that many of the Company's customer contracts are subject to periodic renewal, are not exclusive, do not provide for committed business volumes and may be changed or terminated unilaterally and on short notice, that there can be no assurance that the Company is able to retain its new contract with the Department of Education as the result of the protests filed by unsuccessful bidders, that continuing limitations on the scope of our audit activity under our RAC contracts have significantly reduced our revenue opportunities with this client, that the Company faces significant competition in all of its markets, that the U.S. federal government accounts for a significant portion of the Company's revenues, that future legislative and regulatory changes may have significant effects on the Company's business, that failure of the Company's or third parties' operating systems and technology infrastructure could disrupt the operation of the Company's business and the threat of breach of the Company's security measures or failure or unauthorized access to confidential data that the Company possesses. More information on potential factors that could affect the Company's financial condition and operating results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's annual report on Form 10-K for the year ended December 31, 2018 and subsequently filed reports on Forms 10-Q and 8-K. The forward-looking statements are made as of the date of this press release and the Company does not undertake to update any forward-looking statements to conform these statements to actual results or revised expectations.

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