Alignment Healthcare, Inc. Q2, 2026 Results

Insights summarized from the July 30, 2026 earnings call

Prepared by

HealthWorksAI

www.healthworksai.com

Table of contents

Executive summary

Alignment closed the quarter the way it opened the year: growing faster than its own plan, and getting rewarded less for it. Every headline number beat guidance, and two calls HealthWorks AI made off Alignment's own Q1 commentary both proved out. The CMS sweep on new members landed favorably, exactly as flagged, and the second-half margin risk we called out did show up, sharper than the company let on at the time. That pairing, a clean beat next to a tougher back half, is the real story behind why the stock fell instead of rallied.

The pattern underneath is consistent. Alignment keeps growing into the harder, higher-need members other plans are backing away from, and keeps betting its clinical model can manage that cost better than peers can. Whether that bet holds through a heavier-spending second half is the question that actually matters for the rest of 2026, not the quarter that just closed, and it is now new financial leadership carrying that message forward.

Section 2

Did they deliver on what they promised last quarter?

Measured against HealthWorks AI's own Alignment Healthcare Q1 2026 Earnings Insight report (published April 30, 2026), which itself tracked commitments forward from Alignment's Q4 2025 and Q3 2025 disclosures.

What they promised in Q1 2026	What actually happened in Q2 2026	Verdict
Q2 2026 revenue, adjusted EBITDA, and membership guided at $1.30–$1.32 billion / $50–$60 million / 288,000–290,000 on the Q1 2026 call.	All three beaten: $1.3 billion revenue, $68.1 million adjusted EBITDA, 294,100 members.	Delivered
HealthWorks AI's Q1 2026 report flagged the Q2 CMS new-member risk-adjustment sweep as "the validation event" for potential meaningful upside, given ~50% of AEP growth was high-acuity membership booked conservatively to paid MMR.	Confirmed favorable: CFO Head disclosed a ~40 basis point favorable MBR impact from the 2025 new-member sweep, contributing roughly $5–6 million to the raised EBITDA guidance midpoint, real, but more modest than the "meaningful" framing implied.	Delivered
HealthWorks AI's Q1 2026 report named the new-member acuity ramp as the key second-half risk: "the risk is that the acuity ramp exceeds expectation in Q3 and Q4, squeezing the H2 margin that sits below the 60% H1 EBITDA weighting."	Confirmed, and worse than framed: management now guides only ~30% of full-year EBITDA to the second half (versus ~40% a year ago), driven by newly-disclosed "double-digit millions" of incremental H2 investment not sized this precisely in Q1.	Off track
CEO Kao told HealthWorks AI's tracked Q1 2026 call that "more transparency on AI deployment will come in Q2."	Delivered: a specific, quantified predictive-model claim, the model flags the 10% of members driving nearly 70% of hospital admissions in the next 30 days.	Delivered
Full-year 2026 membership, revenue, adjusted gross profit, and adjusted EBITDA guided at 294,000–299,000 / $5.16–$5.21 billion / $620–$650 million / $138–$163 million on the Q1 2026 call.	Raised across the board to 298,000–301,000 / $5.20–$5.23 billion / $630–$650 million / $145–$163 million.	On track
Q1 2026 call disclosed claims auto-adjudication climbing from under 15% to over 60% year-to-date, with management expecting "even higher" automation as the year progressed.	Not mentioned or updated on the Q2 call.	Pending
Q1 2026 call referenced 2027 expansion into "some large markets" without specifying whether that meant new states.	Clarified on the Q2 call: new markets in 2027 are inside Alignment's existing states, not new states; new-state entry is pushed to 2028.	On track

This Alignment Q2 2026 earnings scorecard shows five of seven commitments landed as delivered or on track, including a clean sweep on every Q2 headline number. The one clear miss is the one that matters most: second-half EBITDA cadence, confirming HealthWorks AI's own Q1 risk call and landing worse than the company's tone at the time suggested. Auto-adjudication, a live disclosure thread on the prior two calls, went quiet this quarter.

Section 3

What's actually changing

- **Growth is beating plan, but the mix is shifting:** half of new members added this year are C-SNP eligible, D-SNP eligible, or dual eligible, populations that carry higher near-term medical cost even as they likely lift Alignment's long-run embedded value.

- **Second-half spending intensity is stepping up in a way that wasn't fully signaled at Q1:** "double-digit millions" of incremental clinical, AI, and talent investment is compressing the EBITDA share expected in the second half to ~30% from ~40% a year ago, and Q3 guidance ($20–$30 million adjusted EBITDA) implies a sharp sequential step-down from Q2's $68.1 million.

- **New financial leadership is now setting the guidance tone:** CFO James Head, who joined Alignment in 2026 from Claritev (formerly MultiPlan) and succeeded longtime CFO Thomas Freeman, delivered this quarter's full-year guidance and H2 cadence framing. Two disclosure threads that were live topics on the last two calls went quiet this quarter: the auto-adjudication rate (last cited at over 60% on the Q1 call) and RADV posture (last addressed on the Q1 call) were neither mentioned nor updated on Q2's call.

- **Expansion is being sequenced, not accelerated:** new markets are planned inside Alignment's existing states for 2027, with new-state entry pushed out to 2028, a more patient footprint timeline than the membership growth rate alone might suggest.

- **Clinical AI is moving from a stated capability to a specific, quantified claim:** management says its predictive model identifies the 10% of members responsible for nearly 70% of hospital admissions in the next 30 days, a concrete benchmark worth revisiting against competitors' own predictive-analytics claims.

Section 4

Key leadership quotes

On the quarter, in context

"For second quarter 2026, health plan membership of 294,100 represented year over year membership growth of approximately 31%. This drove total revenue of $1.3 billion which increased 32% year over year."

John Kao — Chairman and Chief Executive Officer, Alignment Healthcare, Inc.

What this really means: management is framing this quarter as a continuation of an already-strong growth trajectory, not a surprise, membership and revenue both landed above the company's own Q1 guidance.

On margin quality

"Adjusted gross profit of $183 million represented an adjusted MBR of 86.3%, which improved by 40 basis points year over year."

John Kao — Chairman and Chief Executive Officer, Alignment Healthcare, Inc.

What this really means: this is Alignment's lowest medical benefit ratio as a public company, a real, quantified margin improvement, not a one-time reserve or timing benefit.

On second-half investment and margin cadence

"The midpoint of our full year guidance and year to date results indicate that we expect approximately 30% of our full year adjusted EBITDA to be generated in the second half. This compares to approximately 40% of full year EBITDA in the second half of the prior year."

James Head — Chief Financial Officer, Alignment Healthcare, Inc.

What this really means: this is the exact sentence behind the after-hours share decline, a real, quantified pullback in second-half margin cadence versus what Q1's guidance implied, not general conservatism.

On plan mix

"50% of our new members were in C-SNP eligible, D-SNP eligible, and dual eligible [categories]."

James Head — Chief Financial Officer, Alignment Healthcare, Inc.

What this really means: Alignment's own numbers confirm its growth mix is skewing toward higher-acuity, special-needs populations, exactly the segment where MA competition for members is intensifying industry-wide.

On embedded value

"The embedded gross profit potential of today's membership has grown to approximately $880 million."

John Kao — Chairman and Chief Executive Officer, Alignment Healthcare, Inc.

What this really means: a self-reported, unaudited forward metric, up from roughly $600 million disclosed earlier in 2025, worth tracking as a management-chosen yardstick rather than a GAAP figure.

On predictive clinical AI

"Our model now accurately and dynamically predicts the 10% of members who account for nearly 70% of hospital admissions over the next 30 days."

John Kao — Chairman and Chief Executive Officer, Alignment Healthcare, Inc.

What this really means: a specific, quantified predictive-analytics claim, a real benchmark for evaluating competitors' own risk-stratification and predictive-model capabilities.

Section 5

Where the guidance goes from here

Full-year 2026 outlook	Next-year signal	What has to go right
Raised	**Confirmed, kept close to home**	**A thinner cushion**
Every full-year target moved up this quarter, membership, revenue, and profit alike. Growth is no longer the open question, how much of it converts into durable margin is.	2027 expansion is confirmed but kept close to home, new markets inside states Alignment already operates in. New states do not enter the conversation until 2028. Read that as patience, not hesitation.	The back half of the year is running on a noticeably thinner profit cushion than the front half was. If clinical and AI investment spending runs ahead of plan again, margin is what gives, not growth.

Section 6

How the competitive picture is shifting

- Alignment is one of the few pure-play MA payers still guiding membership growth up midyear (to 298,000–301,000) while several larger national payers have leaned toward margin-over-membership discipline this earnings season.
- The SNP/dual-eligible-heavy growth mix (50% of new adds) mirrors a broader industry pattern of MA enrollment increasingly concentrated in higher-acuity special-needs populations rather than general Medicare Advantage.
- New financial leadership, CFO James Head joined from Claritev/MultiPlan in 2026, is now setting the guidance tone; worth watching whether disclosure style or guidance conservatism shifts as more quarters accumulate under his framing.

Section 7

What this means for your plan

If you compete with Alignment in its core Medicare Advantage markets

Expect continued above-guide growth momentum (31% year over year) even as the company signals it will spend harder in the second half to protect that pace, a well-capitalized, still-accelerating competitor, not one pulling back.

If you serve dual-eligible or special-needs populations

Alignment's own numbers, half of new members are C-SNP, D-SNP, or dual eligible, confirm that special-needs enrollment is where a growing share of MA competition is concentrating; your own acquisition cost and risk-adjustment assumptions for that population should reflect a more contested market than a year ago.

If you're benchmarking predictive or clinical AI investment

Alignment's claimed model performance (10% of members driving nearly 70% of 30-day hospital admissions) is a specific, quantified benchmark to compare your own risk-stratification tooling against.

If you're weighing how to talk about second-half guidance internally or to your board

Alignment's own cut to its second-half EBITDA share (40% to 30% year over year) despite raising full-year targets is a live example of guiding growth up while guiding margin cadence down in the same release, worth considering before your own plan's guidance sends a similarly mixed signal.

Account-level implications: No account-specific overlap with Alignment's core Medicare Advantage markets or its SNP/dual-eligible growth could be independently verified for this report. If your book has direct membership exposure in Alignment's core markets, or serves overlapping dual-eligible/D-SNP populations, that is worth a direct account-level check rather than assuming from this report alone.

How our clients can use HealthWorksAI to act on this

This Alignment Q2 2026 earnings quarter is exactly the kind of enrollment-mix shift our platform is built to quantify before it shows up in a competitor's earnings release. With HealthWorks AI, you can run SAE/SAR analysis to see whether Alignment's above-guide growth is concentrated in counties that overlap your own service areas, use enrollment predictions to pressure-test Alignment's raised 298,000–301,000 full-year membership guide against real-time enrollment signals, and pull a market snapshot on D-SNP and dual-eligible competitive density ahead of AEP 2027 given Alignment's own disclosed SNP-heavy growth mix.

Section 8

What to watch next quarter

Q3 2026 call	Late October or early November: does adjusted EBITDA land in the guided \$20–\$30 million range for the quarter.
Second-half margin	Does the H2 cost step-up hold as guided, or does the "double-digit millions" of incremental investment run ahead of plan again the way it did versus Q1's framing.
AEP 2027	Does the high-acuity, SNP/dual-eligible-heavy growth mix continue at the same roughly 50%-of-new-adds pace.
2027 market entry	First real signal on where growth goes next, since 2027 expansion is confirmed as inside existing states, with new-state entry not arriving until 2028.

Also quiet this quarter: no update on the auto-adjudication rate or RADV posture, both live topics on the last two calls, worth asking about next time.

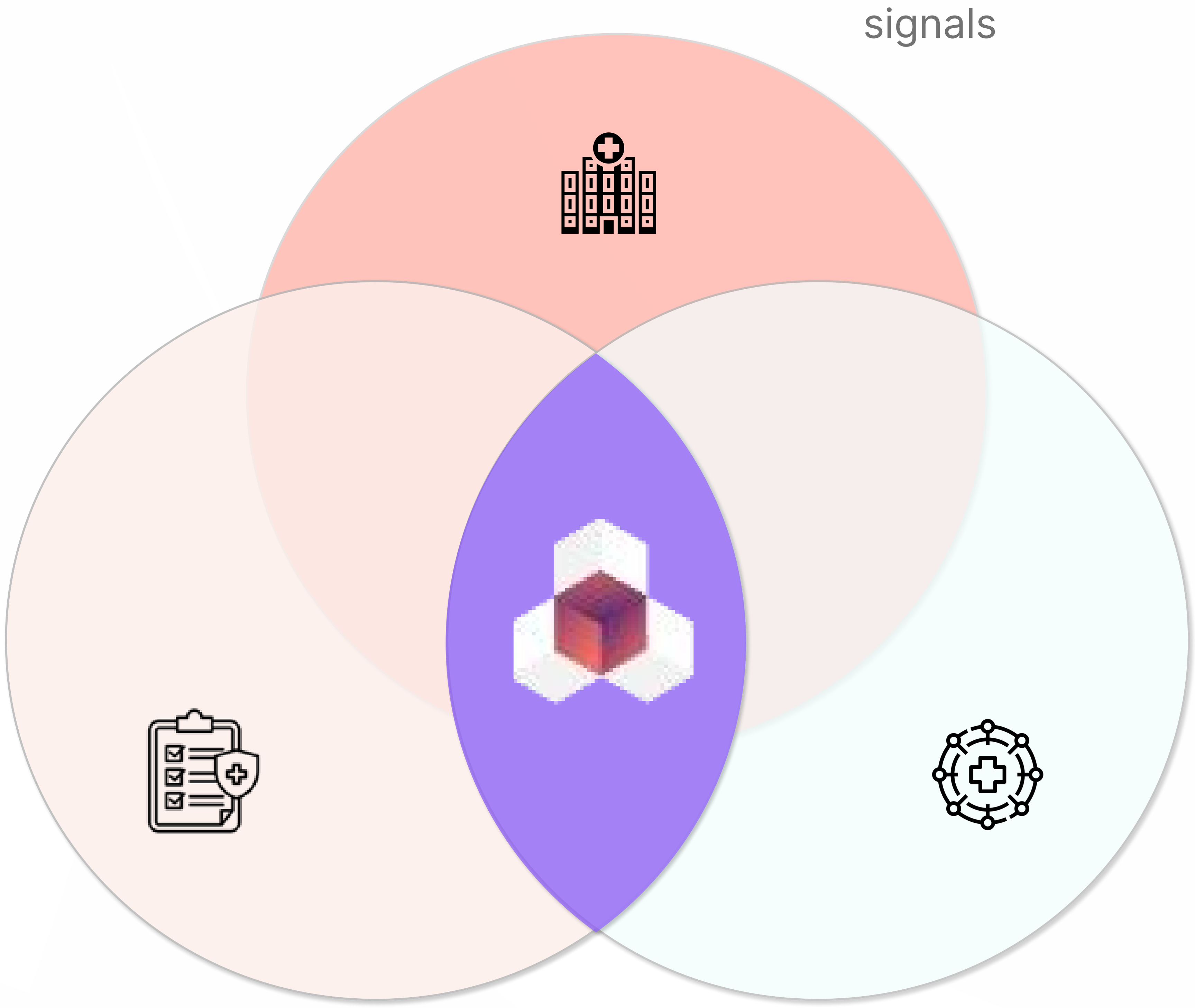
HealthWorks AI

REAL-TIME INTELLIGENCE, STRATEGIC ADVANTAGE

Deep-dive earnings analysis delivered within 12 hours. Used by top MA teams to inform bid strategy.

Market

Competitive landscape, enrollment shifts, disruption signals



Product

Benefit validation/ simulations, plan trade-offs, enrollment predictions

Network

Provider comparison/ benchmarking, NPI-level cost, quality, utilization scoring and ready to action lists

What is your opportunity and where is it?

Let's connect to find out.