

May 14, 2026



P3 Health Partners Announces First Quarter 2026 Results

Raises Full-Year 2026 Adjusted EBITDA Guidance

Management to Host Conference Call and Webcast May 14, 2026 at 4:30 PM ET

HENDERSON, Nev.--(BUSINESS WIRE)-- P3 Health Partners Inc. ("P3" or the "Company") (NASDAQ: PIII), a patient-centered and physician-led population health management company, today announced its financial results for the first quarter ended March 31, 2026.

"Q1 represents a meaningful turning point for the business. The \$26 million of adjusted EBITDA we delivered this quarter reflects the cumulative impact of two years of deliberate work, including contract restructuring, network concentration, and operational redesign. Based on the strength of Q1 and our confidence in the underlying trajectory, we are raising our full-year 2026 adjusted EBITDA outlook to a midpoint of \$40 million," said Dr. Aric Coffman, CEO of P3.

First Quarter 2026 Financial Results

- At-risk membership was approximately 106,000 members for the first quarter, a decrease of 10% compared to prior year. The decrease reflects previously disclosed intentional network and payer rationalization. Total lives under management were approximately 135,000 for the quarter, including the approximately 29,000 lives under management service arrangements.
- Total revenue was \$386 million, an increase of 4% compared to the first quarter of the prior year. Total per-member revenue increased 14% from the same period in the prior year driven by contractual restructuring, rate progression, and burden of illness performance.
- Medical margin⁽¹⁾ for the quarter was \$73.7 million, or \$231 on a per-member basis. The results include the favorable impact of prior year development and payer settlements recognized in the quarter; excluding these items, medical margin for the quarter was \$56.1 million.
- Net income was \$3.0 million compared to a net loss of \$44.2 million in the prior year quarter.
- Adjusted EBITDA⁽¹⁾ for the quarter was \$25.8 million, or \$81 PMPM.

Revised Fiscal 2026 Guidance

- Full-year revised guidance reflects the impact of underlying first quarter performance, as well as the prior-year development and payer settlements recognized in the quarter.

	Year Ending December 31, 2026	
	Low	High
At-risk Members ⁽²⁾	103,000	110,000
Total Revenues (in millions)	\$1,500	\$1,650
Medical Margin ⁽¹⁾⁽³⁾ (in millions)	\$190	\$230
Medical Margin ⁽¹⁾⁽³⁾ PMPM	\$149	\$180
Adjusted EBITDA ⁽¹⁾⁽³⁾ (in millions)	\$20	\$60

(1) Adjusted EBITDA, Adjusted EBITDA per member, per month (“PMPM”), medical margin, and medical margin PMPM are non-GAAP financial measures. For reconciliations of these measures to the most directly comparable GAAP measures, if applicable, and more information regarding the Company’s use of non-GAAP financial measures, please see the section titled “Non-GAAP Financial Measures.”

(2) See “Key Performance Metrics” for additional information on how the Company defines “at-risk members.”

(3) The Company is not able to provide a quantitative reconciliation of guidance for Adjusted EBITDA, medical margin and medical margin PMPM to net income (loss), gross profit and gross profit PMPM, the most directly comparable GAAP measures, respectively, and has not provided forward-looking guidance for net income (loss), because of the uncertainty around certain items that may impact net income (loss), gross profit (loss) or gross profit (loss) PMPM that are not within our control or cannot be reasonably predicted without unreasonable effort. For more information regarding the non-GAAP financial measures discussed in this press release, please see “Non-GAAP Financial Measures” below.

The foregoing 2026 outlook statement represents management's current estimate as of the date of this release. Actual results may differ materially depending on a number of factors. Investors are urged to read the “Cautionary Note Regarding Forward-Looking Statements” included in this release. Management does not assume any obligation to update these estimates.

Management to Host Conference Call and Webcast on May 14, 2026 at 4:30 PM ET

Title & Webcast	P3 Health First Quarter 2026 Earnings Conference Call
Date & Time	May 14, 2026, 4:30 PM Eastern Time
Conference Call Details	Toll-Free 1-833-316-0546 (US) International 1-412-317-0692 Ask to be joined into the P3 Health Partners call
The conference call will also be webcast live in the “Events & Presentations” section of the Investor page of the P3 website (ir.p3hp.org). The Company’s press release will be available on the Investor page of P3’s website in advance of the conference call. An archived recording of the webcast will be available on the Investor page of P3’s website for a period of 90 days following the conference call.	

About P3 Health Partners (NASDAQ: PIII):

P3 Health Partners Inc. is a leading population health management company committed to transforming healthcare by improving the lives of both patients and providers. Founded and led by physicians, P3 has an expansive network of more than 2,300 affiliated primary care providers across the country. Our local teams of health care professionals manage the care of thousands of patients in 26 counties across five states. P3 supports primary care providers with value-based care coordination and administrative services that improve patient outcomes and lower costs. Through partnerships with these local providers, the P3 care team creates an enhanced patient experience by navigating, coordinating, and integrating the patient’s care within the healthcare system. For more information, visit www.p3hp.org and follow us on LinkedIn and [Facebook.com/p3healthpartners](https://www.facebook.com/p3healthpartners).

Non-GAAP Financial Measures

In addition to the financial results prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”), this press release contains certain non-GAAP financial measures as defined by the SEC rules, including Adjusted EBITDA and Adjusted

EBITDA PMPM, medical margin, medical margin PMPM, and adjusted operating expense. EBITDA is defined as GAAP net income (loss) before (i) interest, (ii) income taxes and (iii) depreciation and amortization. Adjusted EBITDA is defined as EBITDA, further adjusted to exclude the effect of certain supplemental adjustments, such as (i) mark-to-market warrant gain/loss, (ii) premium deficiency reserves, (iii) equity-based compensation expense, (iv) certain transaction and other related costs and (v) certain other items that we believe are not indicative of our core operating performances. Adjusted EBITDA PMPM is defined as Adjusted EBITDA divided by the number of at-risk Medicare members each month divided by the number of months in the period. We believe these non-GAAP financial measures provide an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with other similar companies. Medical margin represents the amount earned from capitation revenue after medical claims expenses are deducted and medical margin PMPM is defined as medical margin divided by the number of Medicare members each month divided by the number of months in the period. Medical claims expenses represent costs incurred for medical services provided to our members. As our platform grows and matures over time, we expect medical margin to increase in absolute dollars; however, medical margin PMPM may vary as the percentage of new members brought onto our platform fluctuates. New membership added to the platform is typically dilutive to medical margin PMPM. Adjusted operating expense is defined as total operating expense excluding depreciation and amortization and costs that management believes are non-core to the underlying operations of the Company, consisting of (i) medical expense, (ii) premium deficiency reserves, (iii) equity-based compensation, and (iv) certain other items that we believe are not indicative of our core operating performance. We do not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In addition, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. The tables at the end of this press release present a reconciliation of Adjusted EBITDA, medical margin to gross profit, medical margin PMPM to gross profit PMPM, and adjusted operating expense to operating expense, which are the most directly comparable financial measures calculated in accordance with GAAP.

Key Performance Metrics

In addition to our GAAP and non-GAAP financial information, the Company also monitors “at-risk members” to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. At-risk membership represents the approximate number of Medicare members for whom we receive a fixed percentage of premium under capitation arrangements as of the end of a particular period.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and

Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "believe," "budget," "contemplate," "continue," "could," "envision," "estimate," "expect," "guidance," "indicate," "intend," "may," "might," "plan," "possibly," "potential," "predict," "probably," "pro-forma," "project," "seek," "should," "target," or "will," or the negative or other variations thereof, and similar words or phrases or comparable terminology, are intended to identify forward-looking statements. These forward-looking statements address various matters, including the Company's future expected growth strategy and operating performance; and the Company's ability to execute on its identified strategic improvement opportunities, all of which reflect the Company's expectations based upon currently available information and data. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected or estimated and you are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements.

Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in forward-looking statements include, among others, our ability to continue as a going concern; our potential need to raise additional capital to fund our existing operations or develop and commercialize new services or expand our operations; our ability to achieve or maintain profitability; our ability to maintain compliance with our debt covenants in the future, or obtain required waivers from our lenders if future operating performance were to fall below current projections, and if there are material changes to management's assumptions, we could be required to recognize non-cash charges to operating earnings for goodwill and/or other intangible asset impairment; our ability to identify and develop successful new geographies, physician partners, payors and patients; changes in market or industry conditions, regulatory environment, competitive conditions, and receptivity to our services; our ability to fund our growth and expand our operations; changes in laws and regulations applicable to our business; our ability to maintain our relationships with health plans and other key payors; the impact of fluctuations in risk adjustments; our ability to establish and maintain effective internal controls; our ability to maintain compliance with California regulations related to financial solvency and operational performance; our ability to maintain the listing of our securities on Nasdaq; increased labor costs and medical expense; our ability to recruit and retain qualified team members and independent physicians; and the factors described under Part I, Item 1A. "Risk Factors" and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 26, 2026, and in our subsequent filings with the SEC.

All information in this press release is as of the date hereof, and we undertake no duty to update or revise this information unless required by law. You are cautioned not to place undue reliance on any forward-looking statements contained in this press release.

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash	\$ 25,497	\$ 25,012
Restricted cash	605	795
Health plan receivable, net of allowance for credit losses of \$281	124,894	92,458
Clinic fees, insurance and other receivable	9,060	3,379
Prepaid expenses and other current assets	12,154	11,439
TOTAL CURRENT ASSETS	172,210	133,083
Property and equipment, net	2,964	3,374
Intangible assets, net	472,989	492,423
Other long-term assets	25,994	27,761
TOTAL ASSETS ⁽¹⁾	\$ 674,157	\$ 656,641
LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,672	\$ 11,715
Accrued expenses and other current liabilities	43,224	42,820
Accrued payroll	2,773	1,950
Health plan settlements payable	48,245	69,830
Claims payable	285,898	287,790
Premium deficiency reserve	81,402	86,116
Current portion of long-term debt	51,436	45,036
Short-term debt	835	—
TOTAL CURRENT LIABILITIES	525,485	545,257
Operating lease liability, net	10,830	11,475
Warrant liabilities	2,132	2,462
Long-term debt, net	259,569	228,374
Other long-term liabilities	9,308	9,308
TOTAL LIABILITIES ⁽¹⁾	807,324	796,876
COMMITMENTS AND CONTINGENCIES		
MEZZANINE EQUITY:		
Redeemable non-controlling interest	10,381	14,997
STOCKHOLDERS' (DEFICIT) EQUITY:		
Class A common stock, \$0.0001 par value; 800,000 shares authorized; 3,294 and 3,286 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	—	—
Class V common stock, \$0.0001 par value; 205,000 shares authorized; 3,919 shares issued and outstanding as of March 31, 2026 and December 31, 2025	—	—
Additional paid in capital	505,010	495,909
Accumulated deficit	(649,918)	(651,141)
Non-controlling interest	1,360	—
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(143,548)	(155,232)
TOTAL LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' (DEFICIT) EQUITY	\$ 674,157	\$ 656,641

(1) The Company's condensed consolidated balance sheets include the assets and liabilities of its consolidated variable interest entities ("VIEs"). As discussed in Note 11 "Variable Interest Entities," in Part I, Item 1 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, P3 LLC is itself a VIE. P3 LLC represents substantially all the assets and liabilities of the Company. As a result, the language and amounts below refer only to VIEs held at the P3 LLC level. The condensed consolidated balance sheets include total assets that can be used only to settle obligations of P3 LLC's consolidated VIEs totaling \$26.7 million and \$8.2 million as of March 31, 2026 and December 31, 2025, respectively, and total liabilities of P3 LLC's consolidated VIEs for which creditors do not have recourse to the general credit of the Company totaled \$7.1 million and \$6.6 million as of March 31, 2026 and December 31, 2025, respectively. These VIE assets and liabilities do not include \$47.2 million and \$46.8 million of net amounts due to affiliates as of March 31, 2026 and December 31, 2025, respectively, as these are eliminated in consolidation and not presented within the condensed consolidated balance sheets.

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
OPERATING REVENUE:		
Capitated revenue	\$ 379,499	\$ 369,517
Other revenue	6,891	3,708
TOTAL OPERATING REVENUE	386,390	373,225
OPERATING EXPENSE:		
Medical expense	336,024	372,043
Premium deficiency reserve	(4,715)	(6,962)
Corporate, general and administrative expense	25,543	24,999
Sales and marketing expense	227	181
Depreciation and amortization	21,074	21,052
TOTAL OPERATING EXPENSE	378,153	411,313
OPERATING INCOME (LOSS)	8,237	(38,088)
OTHER INCOME (EXPENSE):		
Interest expense, net	(16,766)	(8,725)
Mark-to-market of stock warrants	330	3,322
Other	242	318
TOTAL OTHER EXPENSE	(16,194)	(5,085)
LOSS BEFORE INCOME TAXES	(7,957)	(43,173)
INCOME TAX BENEFIT (PROVISION)	10,997	(1,073)
NET INCOME (LOSS)	3,040	(44,246)
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,817	(23,766)
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 1,223	\$ (20,480)
NET INCOME (LOSS) PER SHARE:		
Basic	\$ 0.37	\$ (6.28)
Diluted	\$ 0.32	\$ (6.28)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	3,288	3,260
Diluted	8,417	3,260

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 3,040	\$ (44,246)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	21,074	21,052
Premium deficiency reserve	(4,715)	(6,962)
Paid in-kind interest expense	10,799	5,614
Amortization of original issue discount and debt issuance costs	2,803	331
Equity-based compensation	1,051	1,808
Deferred income taxes	478	—
Mark-to-market adjustment of stock warrants	(330)	(3,322)
Changes in operating assets and liabilities:		
Health plan receivable	(32,436)	(8,084)
Clinic fees, insurance, and other receivable	(5,681)	(1,462)
Prepaid expenses and other current assets	(715)	(558)
Other long-term assets	(473)	(14,345)
Accounts payable, accrued expenses, and other current liabilities	420	1,593
Accrued payroll	823	494
Health plan settlements payable	(21,585)	1,150
Claims payable	(1,892)	13,575
Accrued interest	—	—
Operating lease liability	(128)	(104)
Net cash used in operating activities	(27,467)	(33,466)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other, net	(43)	—
Net cash used in investing activities	(43)	—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt, net of original issue discount	27,000	30,000
Proceeds from short-term debt	1,044	1,137
Repayment of short-term and long-term debt	(209)	(341)
Payment of debt issuance costs	(30)	(139)
Net cash provided by financing activities	27,805	30,657
Net change in cash and restricted cash	295	(2,809)
Cash and restricted cash, beginning of period	25,807	44,102
Cash and restricted cash, end of period	<u>\$ 26,102</u>	<u>\$ 41,293</u>

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA (LOSS)
(in thousands, except PMPM)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$ 3,040	\$ (44,246)
Interest expense, net	16,766	8,725
Depreciation and amortization	21,074	21,052
Income tax provision (benefit)	(10,997)	1,073
Mark-to-market of stock warrants	(330)	(3,322)
Premium deficiency reserve	(4,715)	(6,962)
Equity-based compensation	1,051	1,808
Other ⁽¹⁾	(130)	(318)
Adjusted EBITDA (loss)	<u>\$ 25,759</u>	<u>\$ (22,190)</u>
Adjusted EBITDA (loss) PMPM	\$ 81	\$ (63)

(1) Other during the three months ended March 31, 2026 consisted of interest income partially offset by valuation allowance on our notes receivable. Other during the three months ended March 31, 2025 consisted of interest income partially offset by legal settlements and valuation allowance on our notes receivable.

(2) Amounts represent net impact of revenue adjustments related to prior year developments, claims expenses related to prior year dates of service, and other network expenses attributable to prior years.

MEDICAL MARGIN
(in thousands, except PMPM)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Capitated revenue	\$ 379,499	\$ 369,517
Less: medical claims expense	(305,842)	(352,317)
Medical margin	<u>\$ 73,657</u>	<u>\$ 17,200</u>
Medical margin PMPM	\$ 231	\$ 49

RECONCILIATION OF GROSS PROFIT (LOSS) TO MEDICAL MARGIN
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Gross profit (loss)	\$ 50,366	\$ 1,182
Other revenue	(6,891)	(3,708)
Other medical expense	30,182	19,726
Medical margin	<u>\$ 73,657</u>	<u>\$ 17,200</u>

RECONCILIATION OF TOTAL OPERATING EXPENSE TO ADJUSTED OPERATING EXPENSE
(in thousands)
(unaudited)

	Three Months Ended March	
	31,	
	2026	2025
Total operating expense	\$ 378,153	\$ 411,313
Medical expense	(336,024)	(372,043)
Depreciation and amortization	(21,074)	(21,052)
Premium deficiency reserve	4,715	6,962
Equity-based compensation	(1,051)	(1,808)
Other	—	62
Adjusted operating expense	<u>\$ 24,719</u>	<u>\$ 23,434</u>

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