



NASDAQ: AMEH

Fourth Quarter and Year-End 2020 Earnings Call
Supplement

March 10, 2021

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements include any statements about the Company's business, financial condition, operating results, plans, objectives, expectations and intentions, expansion plans, integration of acquired companies and any projections of earnings, revenue, EBITDA, Adjusted EBITDA or other financial items, such as the Company's projected capitation and future liquidity, and may be identified by the use of forward-looking terms such as "anticipate," "could," "can," "may," "might," "potential," "predict," "should," "estimate," "expect," "project," "believe," "plan," "envision," "intend," "continue," "target," "seek," "will," "would," and the negative of such terms, other variations on such terms or other similar or comparable words, phrases or terminology. Forward-looking statements reflect current views with respect to future events and financial performance and therefore cannot be guaranteed. Such statements are based on the current expectations and certain assumptions of the Company's management, and some or all of such expectations and assumptions may not materialize or may vary significantly from actual results. Actual results may also vary materially from forward-looking statements due to risks, uncertainties and other factors, known and unknown, including the risk factors described from time to time in the Company's reports to the U.S. Securities and Exchange Commission (the "SEC"), including without limitation the risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and subsequent Quarterly Reports on Form 10-Q.

Because the factors referred to above could cause actual results or outcomes to differ materially from those expressed or implied in any forward-looking statements, you should not place undue reliance on any such forward-looking statements. Any forward-looking statements speak only as of the date of this presentation and, unless legally required, the Company does not undertake any obligation to update any forward-looking statement, as a result of new information, future events or otherwise.

Company Overview

Apollo Medical Holdings, Inc. (“ApolloMed”) is a leading physician-centric, technology-powered, risk-bearing healthcare management company. Leveraging its proprietary population health management and healthcare delivery platform, ApolloMed operates an integrated, value-based healthcare model, which aims to empower the providers in its network to deliver the highest quality of care to its patients in a cost-effective manner.



25+ years of operation



7,000+ contracted physicians



14 managed IPAs



1.1+ million managed lives

ApolloMed At-A-Glance

Ticker	NASDAQ: AMEH
Headquarters	Alhambra, California
Employees <i>(as of 12/31/2020)</i>	630
Recent Stock Price <i>(as of 3/5/2021)</i>	\$24.44
Market Cap <i>(as of 3/5/2021)</i>	\$1.3 billion
Common Shares Outstanding	54.4 million
Book Value Per Common Share	\$6.08
TTM Revenues	\$687 million

Information as of 12/31/2020 unless otherwise noted

Q4/Year-End and Recent Highlights



Exceeding all guidance

Company **exceeded** all previously disclosed **guidance metrics** for full-year 2020

- Revenue
- Net income
- EBITDA
- Adj. EBITDA



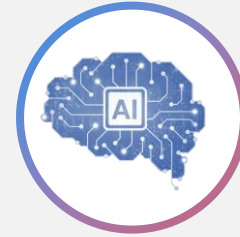
Record growth

Achieved record growth in **total revenue** and **net income** attributable to ApolloMed in 2020



Shared savings impact

NGACO's stellar performance in 2019, resulting in **\$19.8M shared savings** settlement impact on top line, **\$13.3M impact** on **bottom line** in 2020



Technology at scale

Realizing benefits from technologies implemented: **>\$1M in annual OpEx savings**



Strategic partnerships

CAIPA MSO strategic alliance and investment—first step in executing growth strategy



Strengthening leadership team

Promotion of Brandon Sim to **COO**, appointment of Dr. Jeremy R. Jackson as **Chief of Staff**

ApolloMed Proprietary Technology Platform



Revenue Cycle Management

- Fully configurable solution for automated medical claims processing
- >80% of claims received are automatically processed; doctors are paid more quickly and more accurately, while lowering our operating costs



Care Management Platform

- Integrates data and actions across spectrum of clinical and managed care administrative staff
- Interoperability among systems used by all participants in managed care ecosystem
- Allows for seamless and rapid scaling of value-based, managed care system

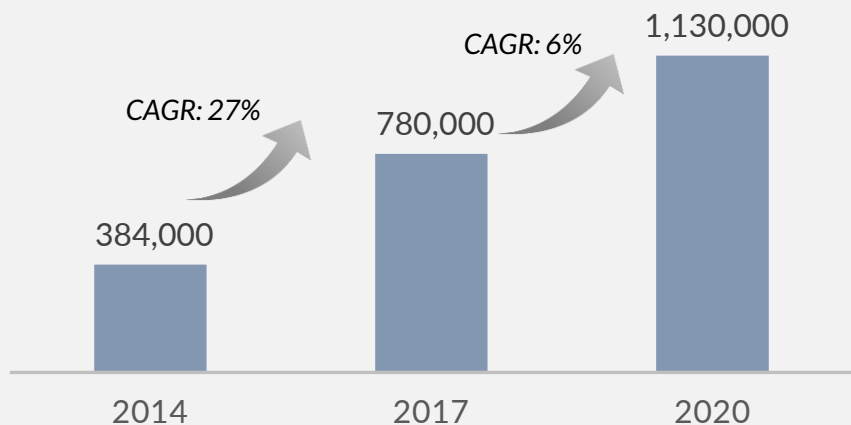


Provider Platform

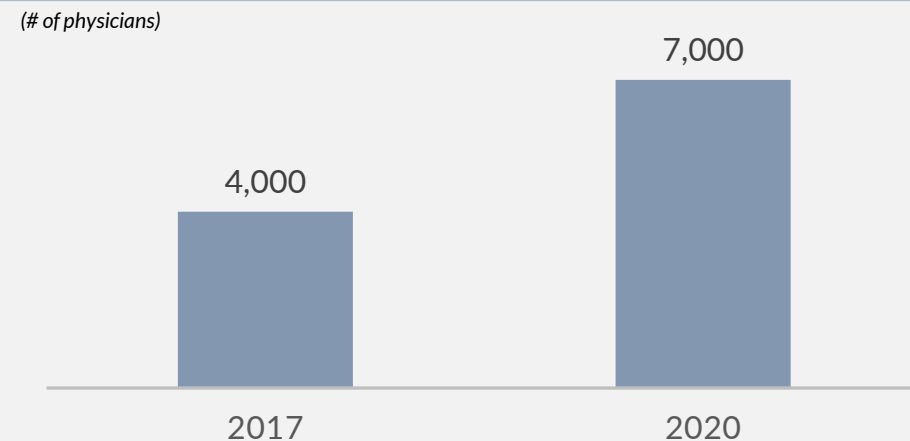
- Eases revenue cycle management process across spectrum of healthcare providers
- Helps providers focus on quality and patient outcomes in real-time
- Uses intelligent population health analytics

Historical Financial Profile

Consistent Membership Growth

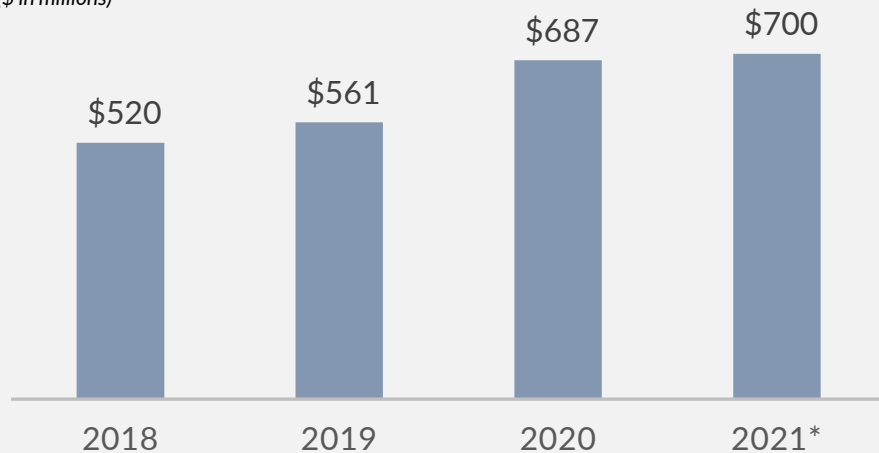


Contracted Physicians Growth



Historical Revenue Growth

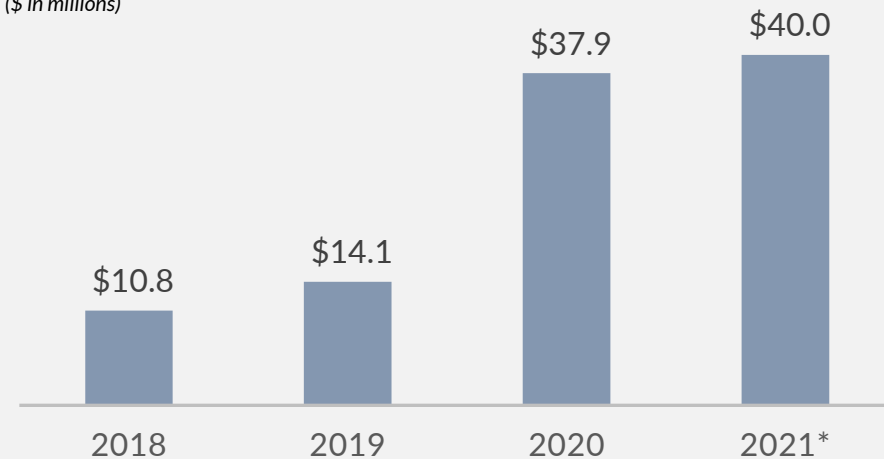
(\$ in millions)



* midpoint of 2021 guidance range

Historical Net Income Attributable to ApolloMed Growth

(\$ in millions)

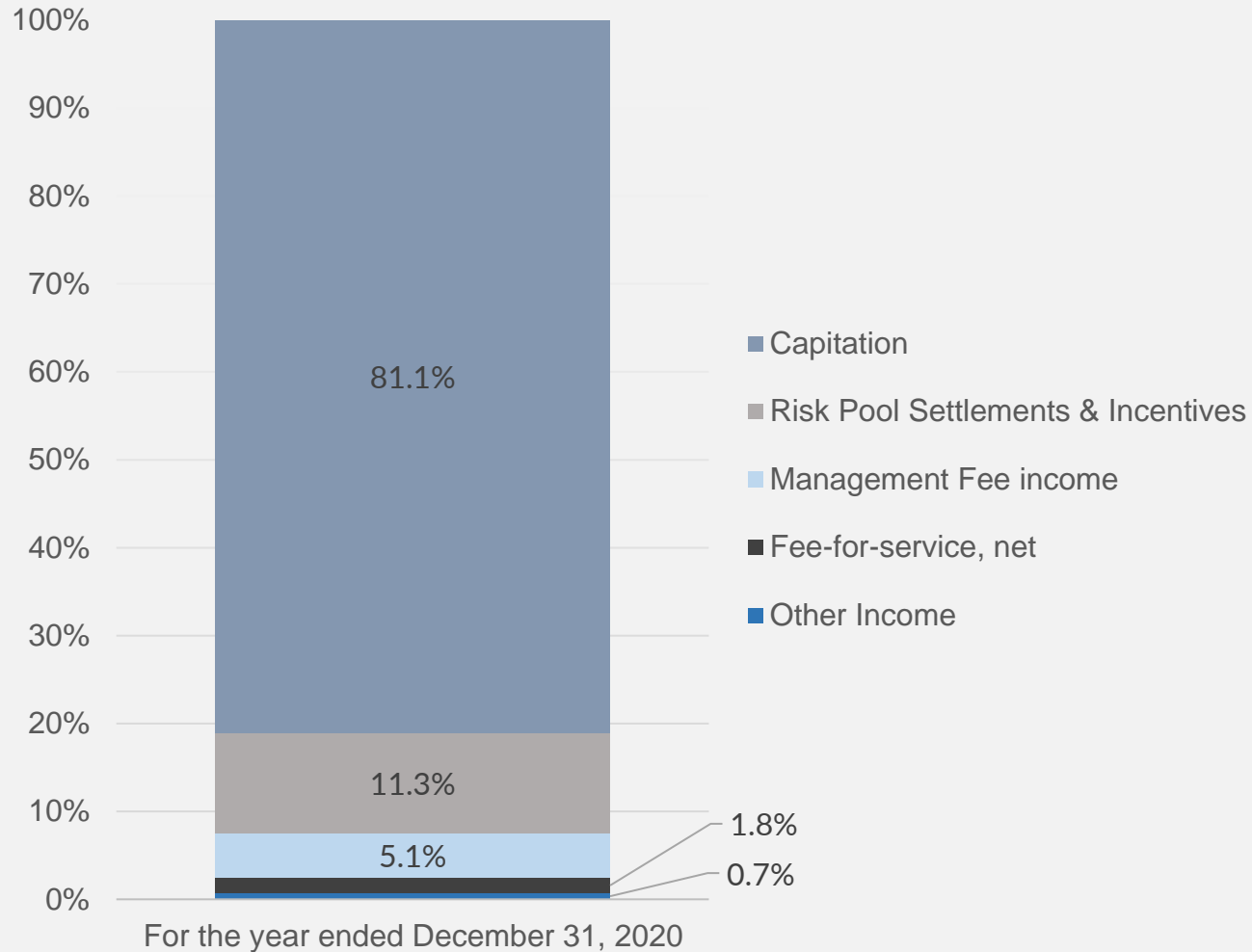


* midpoint of 2021 guidance range

Summary of Financial Results

<i>\$ in 000s except per share data</i>	Q4 2020		Q4 2019		YE 2020		YE 2019	
Revenue								
Capitation, net	\$	140,923	\$	148,620	\$	557,326	\$	454,168
Risk pool settlements and incentives		23,212		18,458		77,367		51,098
Management fee income		8,638		6,801		34,850		34,668
Fee-for-service, net		3,249		3,416		12,683		15,475
Other income		760		1,456		4,954		5,209
Total revenue		176,782		178,751		687,180		560,618
Total expenses		150,907		167,818		606,677		528,198
Income from operations		25,875		10,933		80,503		32,420
Net income (loss)		12,908		(1,280)		122,320		17,673
Net income (loss) attributable to noncontrolling interest		2,851		(8,007)		84,454		3,557
Net income attributable to ApolloMed	\$	10,057	\$	6,727	\$	37,866	\$	14,116
Earnings per share – diluted	\$	0.27	\$	0.18	\$	1.01	\$	0.39

Revenue Breakdown



- A Capitation** - Capitated fees for medical services via direct arrangements with managed care providers. Typically pre-paid monthly based on number of enrollees
- B Risk Pool Settlements & Incentives** - Full and shared risk capitation arrangements with certain health plans, local hospitals and Next Generation Accountable Care Organizations
- C Management Fee Income** - Fees earned from providing management, physician advisory, healthcare staffing, administrative and other non-medical services
- D Fee-for-service** - Professional component of charges for medical services rendered by our contracted physicians at outpatient centers

Balance Sheet Highlights

<i>\$ in millions</i>	12/31/2020	12/31/2019	\$ Change	% Change
Cash and cash equivalents and investments in marketable securities	\$261.2	\$219.7	\$41.4	↑ 19%
Working capital	\$223.6	\$223.6	\$0.1	0%
Total stockholders' equity	\$330.9	\$192.3	\$138.6	↑ 72%

Current Capitalization

(figures in millions, except per share price)

Recent Share Price (as of 3/5/2021)	\$	24.44
Common Shares Outstanding		54.4
Market Capitalization	\$	1,329.5
Plus: Total Bank Debt		245.7
Less: Cash and Cash Equivalents ⁽¹⁾		(132.7)
Implied Enterprise Value	\$	1,442.5
Notes:		
Availability on Revolving Credit Facility	\$	16.8

Note: Balance sheet data as of 12/31/2020.

(1) Excludes restricted cash of \$61mm.

2021 Guidance

<i>\$ in millions</i>	YE 2020 Results	2021 Guidance Range
Total Revenue	\$687.2	\$690.0-\$710.0
Net Income	\$122.3 ⁽¹⁾	\$50.0-\$60.0
Net Income Attributable to ApolloMed	\$37.9	\$35.0-\$45.0
EBITDA ⁽²⁾	\$203.5 ⁽¹⁾	\$95.0-\$105.0
Adjusted EBITDA ⁽²⁾	\$126.5	\$115.0-\$125.0

(1) 2020 net income and EBITDA include pre-tax gain on sale of a small health plan of approximately \$99.6M.

(2) See “Reconciliation of Net Income to EBITDA and Adjusted EBITDA” and “Use of Non-GAAP Financial Measures” slides for more information. There can be no assurance that actual amounts will not be materially higher or lower than these expectations. See “Forward-Looking Statements” on slide 2.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(\$ in millions)

	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>YE 2020</u>	<u>YE 2019</u>
Net income	\$ 12.9	\$ (1.3)	\$ 122.3	\$ 17.7
Depreciation and amortization	4.3	4.5	18.4	18.3
Provision for income taxes	11.9	1.7	56.1	8.1
Interest expense	1.5	3.4	9.5	4.7
Interest income	(0.2)	(0.7)	(2.8)	(2.0)
EBITDA	\$ 30.4	\$ 7.6	\$ 203.5	\$ 46.8
Loss (income) from equity method investments	\$ (0.4)	\$ 8.0	\$ (3.7)	\$ 6.9
Gain on sale of equity method investment	(0.2)	-	(99.8)	-
Other (income) expense	0.4	(0.2)	(1.1)	(3.0)
Provider bonus payments	-	-	8.5	12.1
Impairment of intangibles	-	-	-	2.0
Provision for doubtful accounts	-	-	-	(1.4)
Net loss adjustment for recently acquired IPAs	5.5	5.5	19.1	11.1
Adjusted EBITDA	\$ 35.7	\$ 20.9	\$ 126.5	\$ 74.5

TTM EBITDA Reconciliation

(\$ in millions)

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>YE 2020</u>
Net income	\$ 3.0	\$ 81.0	\$ 25.4	\$ 12.9	\$ 122.3
Depreciation and amortization	4.7	4.6	4.7	4.3	18.4
Provision for income taxes	1.6	31.9	10.8	11.9	56.1
Interest expense	2.9	2.7	2.5	1.5	9.5
Interest income	(1.0)	(0.9)	(0.8)	(0.2)	(2.8)
EBITDA	\$ 11.2	\$ 119.3	\$ 42.6	\$ 30.4	\$ 203.5
Income from equity method investments	\$ (2.1)	\$ (0.8)	\$ (0.4)	\$ (0.4)	\$ (3.7)
Gain on sale of equity method investment	-	(99.6)	-	(0.2)	(99.8)
Other (income) expense	(0.1)	(1.3)	(0.1)	0.4	(1.1)
Provider bonus payments	-	2.0	6.5	-	8.5
Impairment of intangibles	-	-	-	-	-
Provision for doubtful accounts	-	-	-	-	-
Net loss adjustment for recently acquired IPAs	4.8	4.1	4.8	5.5	19.1
Adjusted EBITDA	\$ 13.8	\$ 23.7	\$ 53.4	\$ 35.7	\$ 126.5

Guidance Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(\$ in millions)

	Year Ending December 31, 2021	
	Low	High
Net income	\$ 50.0	\$ 60.0
Depreciation and amortization	17.0	17.5
Provision for income taxes	23.0	24.0
Interest expense	8.0	8.5
Interest income	(3.0)	(5.0)
EBITDA	\$ 95.0	\$ 105.0
Income from equity method investments	\$ (0.5)	\$ (1.0)
Provider bonus payments	\$ 6.0	\$ 6.0
Net loss adjustment for recently acquired IPAs	14.5	15.0
Adjusted EBITDA	\$ 115.0	\$ 125.0

Use of Non-GAAP Financial Measures

This presentation contains the non-GAAP financial measures Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA, of which the most directly comparable financial measure presented in accordance with GAAP is net (loss) income. These measures are not in accordance with, or are an alternative to, U.S. generally accepted accounting principles (“GAAP”), and may be different from other non-GAAP financial measures used by other companies. ApolloMed uses Adjusted EBITDA as a supplemental performance measure of its operations, for financial and operational decision-making, and as a supplemental means of evaluating period-to-period comparisons on a consistent basis. Adjusted EBITDA is calculated as earnings before interest, taxes, depreciation, and amortization, excluding losses from equity method investments provide bonus payments, impairment of intangibles, provision of doubtful accounts and other income earned that is not related to ApolloMed's normal operations. Adjusted EBITDA also excludes non recurring items, including the effect on EBITDA of certain recently acquired IPAs.

ApolloMed believes the presentation of these non-GAAP financial measures provides investors with relevant and useful information as it allows investors to evaluate the operating performance of the business activities without having to account for differences recognized because of non-core and non-recurring financial information. When GAAP financial measures are viewed in conjunction with non-GAAP financial measures, investors are provided with a more meaningful understanding of ApolloMed's ongoing operating performance. In addition, these non-GAAP financial measures are among those indicators ApolloMed uses as a basis for evaluating operational performance, allocating resources and planning and forecasting future periods. Non-GAAP financial measures are not intended to be considered in isolation, or as a substitute for, GAAP financial measures. To the extent this release contains historical or future non-GAAP financial measures, ApolloMed has provided corresponding GAAP financial measures for comparative purposes. Reconciliation between certain GAAP and non-GAAP measures is provided above.

Key Acronyms

- **ACO:** Accountable Care Organization
- **AIPBP:** All-Inclusive Population-Based Payments
- **CMMI:** Center for Medicare and Medicaid Innovation
- **CMS:** Centers for Medicare & Medicaid Services
- **DME:** Durable Medical Equipment
- **Health Plan / Payors:** Health Insurance Companies
- **HMO:** Health Maintenance Organization
- **IPA:** Independent Practice Association
- **NCI:** Non-Controlling Interest
- **NMM:** Network Medical Management, Inc.
- **MSA:** Master Service Agreement
- **MSO:** Management Services Organization
- **NGACO:** Next Generation Accountable Care Organization
- **PCP:** Primary Care Physician
- **PMPM:** Per Member Per Month
- **SNF:** Skilled Nursing Facility
- **VIE:** Variable Interest Entity



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For inquiries, please contact:

ApolloMed Investor Relations
(626) 943-6491
investors@apolloed.net

Carolyn Sohn, The Equity Group
(415) 568-2255
csohn@equityny.com