



Apollo Medical Holdings

(NASDAQ:AMEH)

Powered by Technology.

Built by Doctors.

For Patients.

*First Quarter 2021 Earnings Call Supplement
May 5, 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



12 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 5/3/2021)</i>	\$30.81
Market Cap <i>(as of 5/3/2021)</i>	\$1.7 billion
Common Shares Outstanding <i>(as of 4/29/2021)</i>	55.0 million
Book Value Per Common Share	\$6.36
TTM Revenues	\$698 million

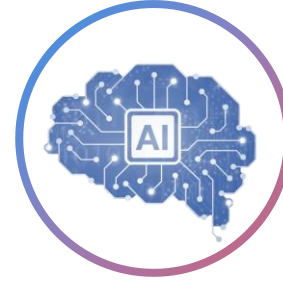
Information as of 3/31/2021 unless otherwise noted

Q1 Highlights



Strong financial results

EPS (diluted)	\$0.30	↑173%	from \$0.11
Revenue	\$176.1M	↑7%	from \$165.1M
Net income attr. to AMEH	\$13.2M	↑225%	from \$4.1M
EBITDA*	\$26.6M	↑137%	from \$11.2M
Adj. EBITDA*	\$29.2M	↑111%	from \$13.8M



Technology at scale

Realizing benefits from technologies implemented:

- \$2.4M in reduced G&A expense related to third-party consulting and professional costs in Q1 2021
- Strong MLR driven by analytics and care coordination



Strategic partnerships

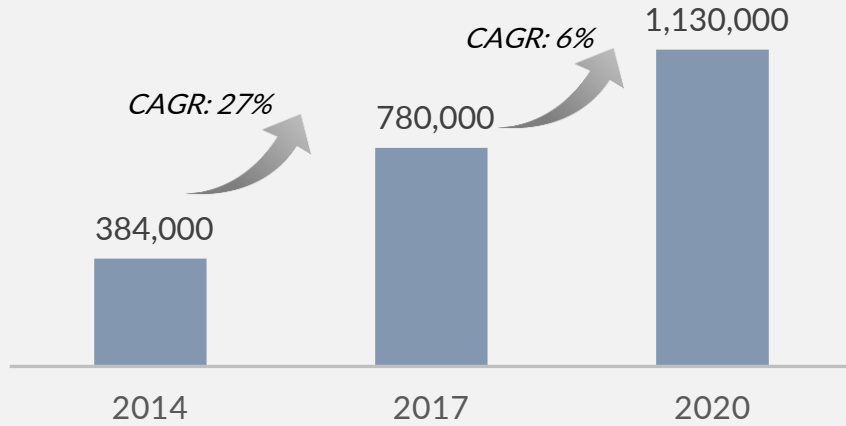
CAIPA MSO strategic alliance and investment:

- First step in executing nationwide growth strategy
- Expected to close in Q2 2021

*See "Reconciliation of Net Income to EBITDA and Adjusted EBITDA" and "Use of Non-GAAP Financial Measures" slides for more information.

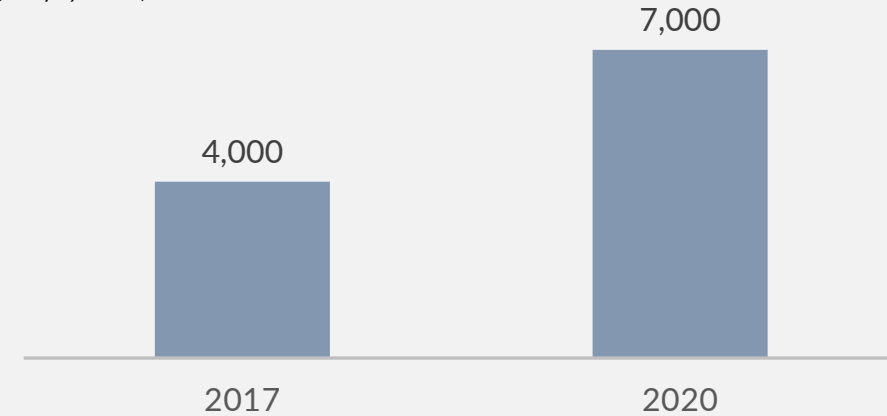
Historical Financial Profile

Consistent Membership Growth



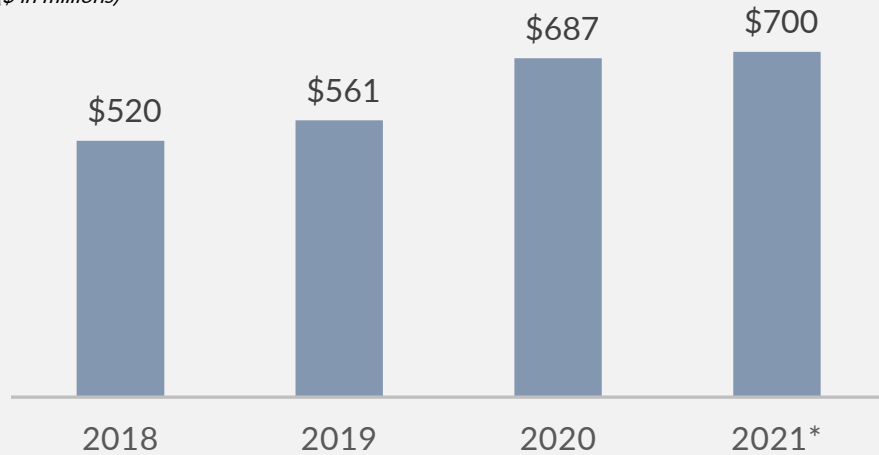
Contracted Physicians Growth

(# of physicians)



Historical Revenue Growth

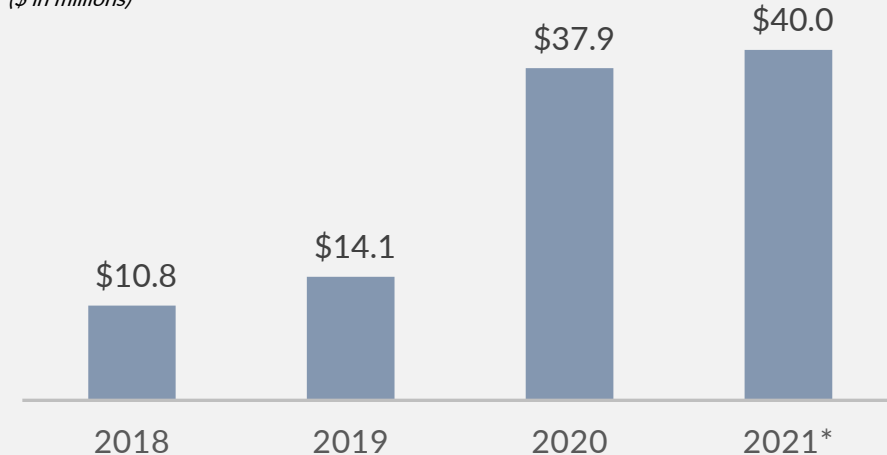
(\$ in millions)



* midpoint of 2021 guidance range

Historical Net Income Attributable to ApolloMed Growth

(\$ in millions)

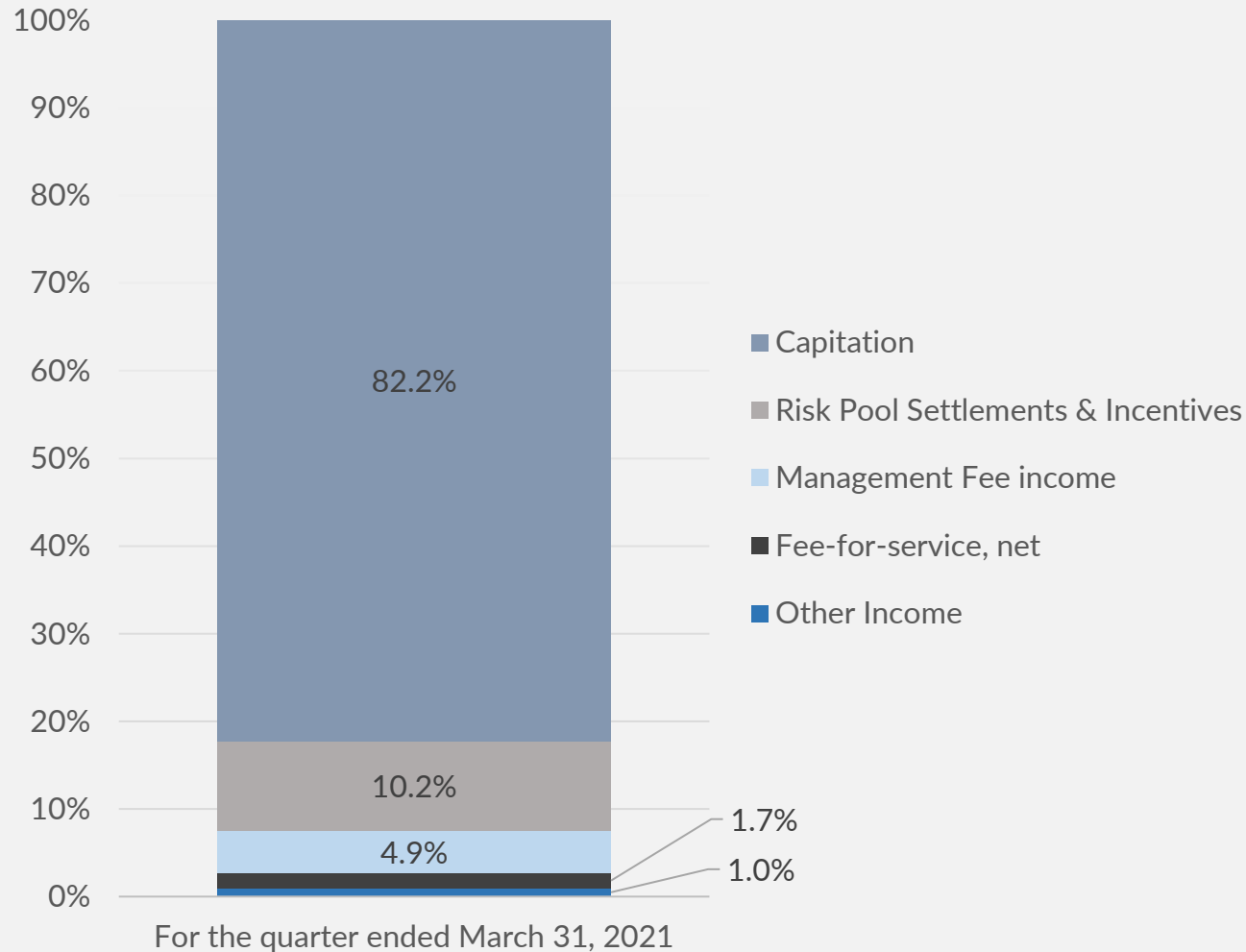


* midpoint of 2021 guidance range

Summary of Financial Results

	Q1 2021		Q1 2020	
<i>\$ in 000s except per share data</i>				
Revenue				
Capitation, net	\$	144,740	\$	140,421
Risk pool settlements and incentives		18,010		11,236
Management fee income		8,550		8,815
Fee-for-service, net		3,086		3,427
Other income		1,672		1,206
Total revenue		176,058		165,105
Total expenses		154,277		160,740
Income from operations		21,781		4,365
Net income		14,458		2,987
Net income (loss) attributable to noncontrolling interest		1,307		(1,065)
Net income attributable to ApolloMed	\$	13,151	\$	4,052
Earnings per share – diluted	\$	0.30	\$	0.11

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>	3/31/2021	12/31/2020	\$ Change	% Change
Cash and cash equivalents and investments in marketable securities	\$272.8	\$261.2	\$11.6	↑ 4%
Working capital	\$243.9	\$223.6	\$20.3	↑ 9%
Total stockholders' equity	\$349.7	\$330.9	\$18.8	↑ 6%

Current Capitalization

(figures in millions, except per share price)

Recent Share Price (as of 5/3/2021)	\$	30.81
Common Shares Outstanding		55.0
Market Capitalization	\$	1,694.6
Plus: Total Bank Debt		243.3
Less: Cash and Cash Equivalents ⁽¹⁾		(140.9)
Implied Enterprise Value	\$	1,797.0
Notes:		
Availability on Revolving Credit Facility	\$	25.0

Note: Balance sheet data as of 3/31/2021

(1) Excludes restricted cash of \$65mm.

2021 Guidance

<i>\$ in millions</i>	Q2 2021 Guidance Range	2021 Guidance Range
Total Revenue	\$163.0-\$173.0	\$690.0-\$710.0
Net Income	\$6.3-\$12.3	\$50.0-\$60.0
Net Income Attributable to ApolloMed	\$6.5-\$10.5	\$35.0-\$45.0
EBITDA ⁽¹⁾	\$15.6-\$21.6	\$95.0-\$105.0
Adjusted EBITDA ⁽¹⁾	\$20.4-\$24.4	\$115.0-\$125.0

(1) See “Guidance 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)

	Q1 2021	Q1 2020
Net income	\$ 14.4	\$ 3.0
Interest expense	1.5	2.8
Interest income	(0.3)	(0.9)
Provision for income taxes	6.8	1.6
Depreciation and amortization	4.2	4.7
EBITDA	\$ 26.6	\$ 11.2
Loss (income) from equity method investments	\$ 0.7	\$ (2.1)
Other (income) expense	(1.3)	(0.1)
Net loss adjustment for recently acquired IPAs	3.2	4.8
Adjusted EBITDA	\$ 29.2	\$ 13.8

Guidance Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(\$ in millions)

	Three Months Ending June 30, 2021		Year Ending December 31, 2021	
	Low	High	Low	High
Net income	\$ 6.3	\$ 12.3	\$ 50.0	\$ 60.0
Interest expense	1.5	1.6	8.0	8.5
Interest income	(0.3)	(0.5)	(3.0)	(5.0)
Provision for income taxes	3.7	3.8	23.0	24.0
Depreciation and amortization	4.4	4.4	17.0	17.5
EBITDA	\$ 15.6	\$ 21.6	\$ 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	4.8	2.8	14.5	15.0
Adjusted EBITDA	\$ 20.4	\$ 24.4	\$ 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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