



CanoHealth



# Cano Health

J.P. Morgan Healthcare Conference  
Presentation



January 11, 2022



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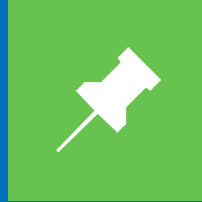
**Non-GAAP Financial Measures.** This Presentation contains certain non-GAAP financial measures as defined by the SEC rules. These non-GAAP financial measures, such as EBITDA and Adjusted EBITDA, have not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are in addition to, and not a substitute for, measures of financial performance prepared in accordance with GAAP. We believe these non-GAAP measures of financial results provide useful information regarding certain financial and business trends relating to our financial condition and results of operations. Our management uses these non-GAAP measures to compare our performance to that of prior periods for trend analyses, for purposes of determining management incentive compensation, and for budgeting and planning purposes. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing our financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. We do not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in our financial statements. In addition, they 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. As required by Regulation G, we have provided a reconciliation of those measures to their most directly comparable GAAP measures, which is available in our Form 10-Q filed with the SEC on November 10, 2021 and our S-1 filed with the SEC on June 25, 2021, as amended. However, we have not reconciled our expectations as to non-GAAP measures in future periods to their most directly comparable GAAP measure because certain costs and expenses are outside of our control or cannot be reasonably predicted. Accordingly, reconciliation is not available without unreasonable effort, although it is important to note that these factors could be material to our results computed in accordance with GAAP. You should review our financial statements filed with the SEC, and not rely on any single financial measure to evaluate our business.

# Company Overview

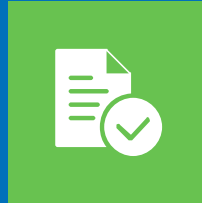


## High Tech/High Touch Primary Care

**Cano Health** is a primary care-centric, technology-powered healthcare delivery and population health management platform designed to measurably improve patient outcomes while reducing costs



Moving Healthcare into the 21st Century  
Connected and aligned  
Creating value for all stakeholders



Redefining Primary Care  
Proactive focus on access and wellness  
Building lifelong bonds with patients



**152K**

Medicare Advantage  
and DCE members



**66K / 35K**

Medicaid / ACA  
members



**80%**

of members are  
minorities



**90%**

CAGR Revenue  
Growth  
2017-2021E



**130**

medical  
centers



**1,300+**

employed and  
affiliated providers



**40**

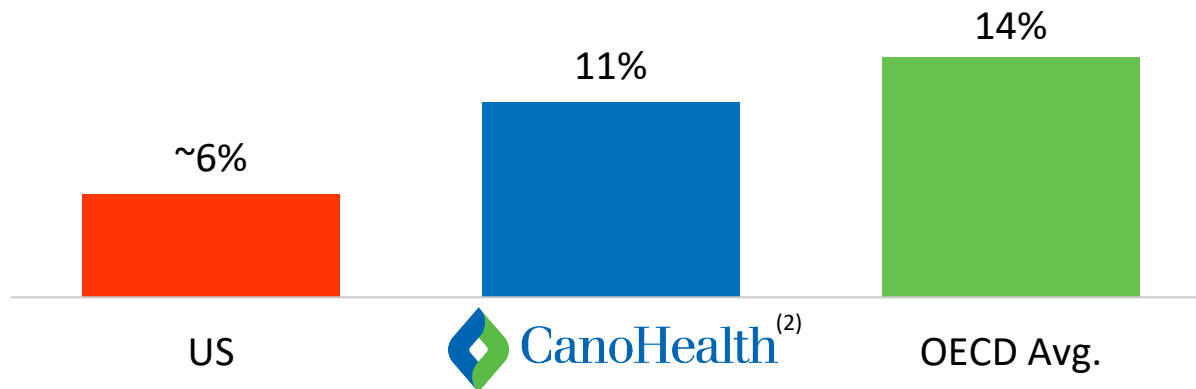
markets across 8  
states plus Puerto  
Rico

# Significant Challenges Facing the US Healthcare System Today

## ▶ Industry Challenges

- Poor primary care access and experience
- Lack of longitudinal engagement and care coordination
- Data not used to effectively drive decision-making
- Physicians not properly incentivized (fee-for-service vs. capitated care)

% Healthcare Spending on Primary Care<sup>(1)</sup>



## ▶ Key Statistics



**~\$850 billion**  
annual wasted healthcare spend<sup>(3)</sup>



**63%/77%**  
of Medicare Advantage/Dual  
Eligible patients have  
≥2 chronic conditions<sup>(4)</sup>

**~55%**  
of preventive health services  
used at  
recommended levels<sup>(5)</sup>

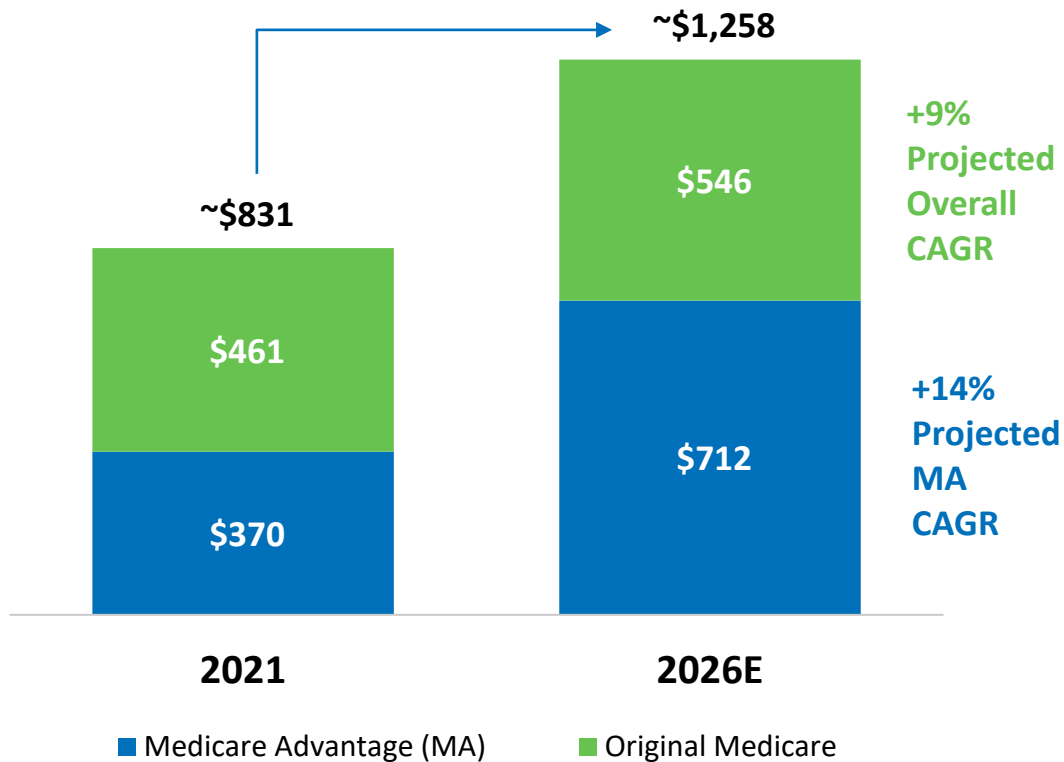
**18 million**  
avoidable visits to US  
emergency rooms<sup>(6)</sup>

(1) "Investing in Primary Care: A State-Level Analysis" – The Primary Care Collaborative (2019)  
 (2) Direct Patient Expense/Total Revenue for LTM 9/30/21  
 (3) The Journal of the American Medical Association. 2019;322(15):1501-1509  
 (4) Boersma P, Black LI, Ward BW. Prevalence of Multiple Chronic Conditions Among US Adults, 2018. Prev Chronic Dis 2020;17:200130  
 (5) Milbank Q. (2011); 89(1): 39–68  
 (6) "The High Cost of Avoidable Hospital Emergency Department Visits" – UnitedHealth Study (2019)

# Cano Health Addresses the Fastest Growing Market in Healthcare

## ▶ Total Medicare Spending

(\$ in billions)



Medicare TAM projected to grow by \$70+ billion annually



Medicare Advantage membership growing 9%-10% y-y vs 2%-3% y-y growth of the 65+ population



MA spending increasing +14% per year



Direct Contracting program opens traditional Medicare to value-based care



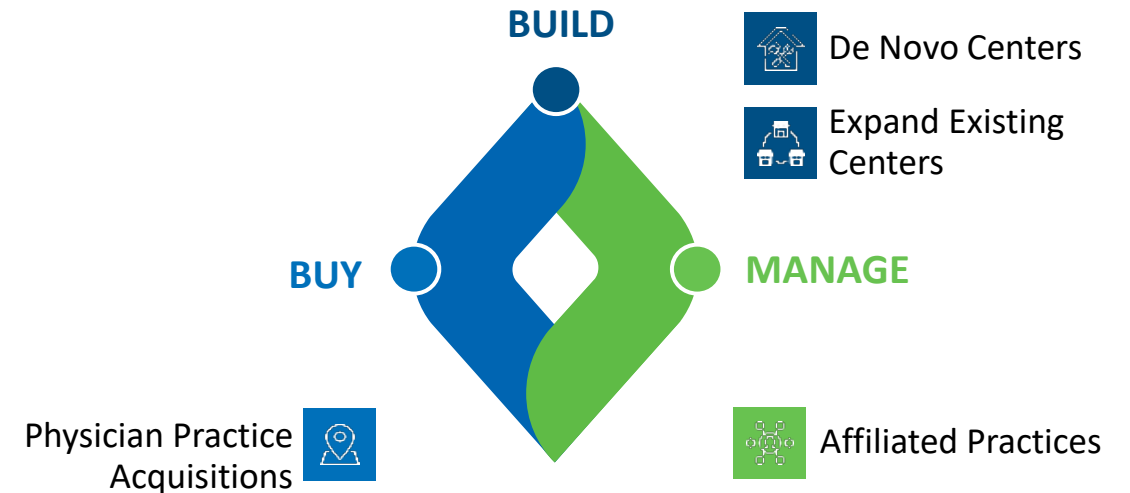
Rapid shift to value-based Medicare supported by CMS Innovation Center<sup>(1)</sup>

# A Differentiated Value-Based Primary Care Model

## ▶ National Care Platform...



## ▶ ...with a Flexible Growth Model



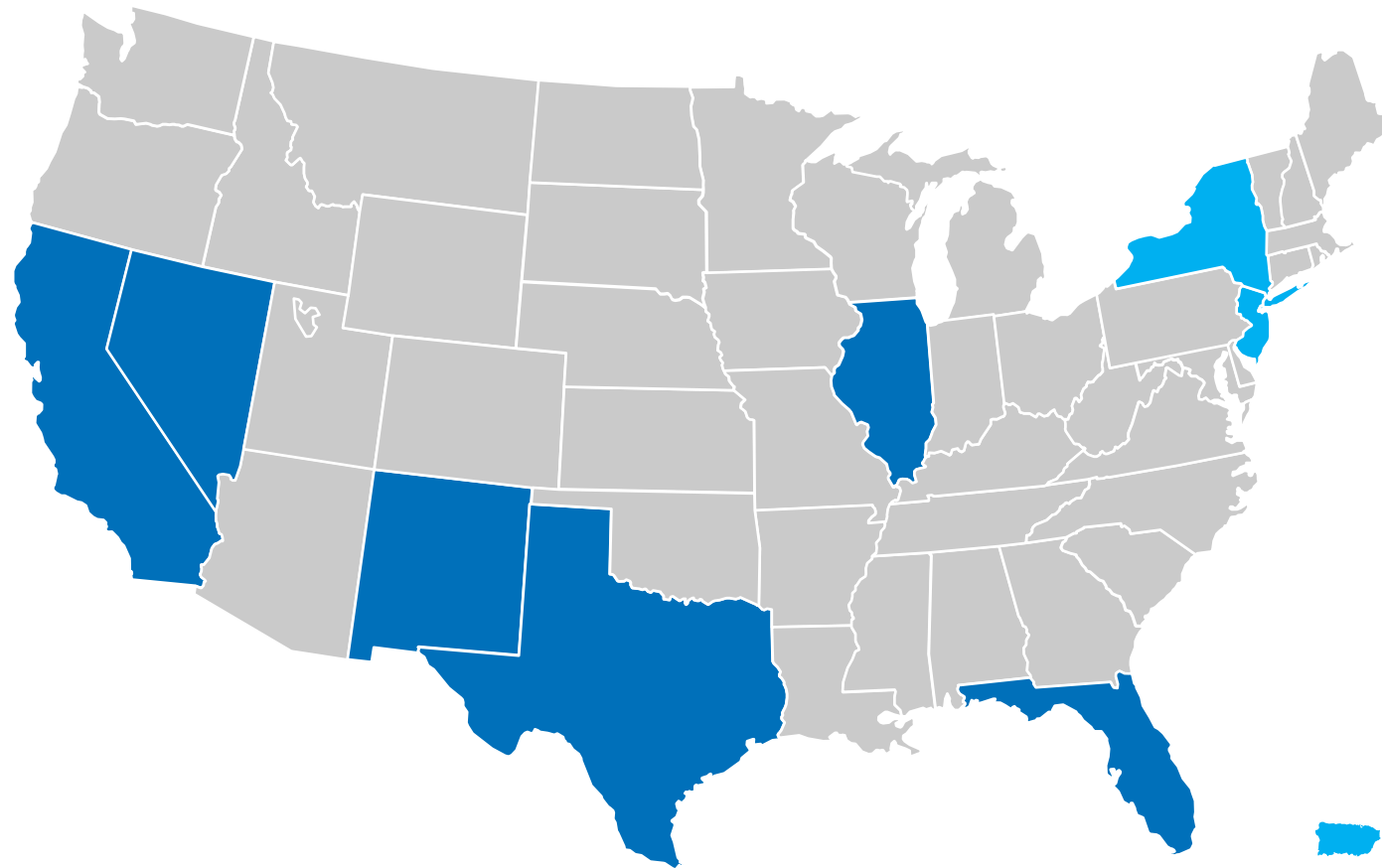
**National Care Platform** : **Access, Quality, and Wellness** within a capitated payment model

**Operating Model** : **Flexible** – Medical centers and affiliates with staff and services reflecting the communities we serve

**Growth Avenues** : Maintain optionality – **build, buy, manage** – de novo, acquire, affiliates

**Strategic Objective** : Obtain **speed, scale, and density**

# Growing Geographic Footprint



■ Medical Centers & Affiliates    ■ Affiliates only

130 Medical Centers as of 12/31/21:

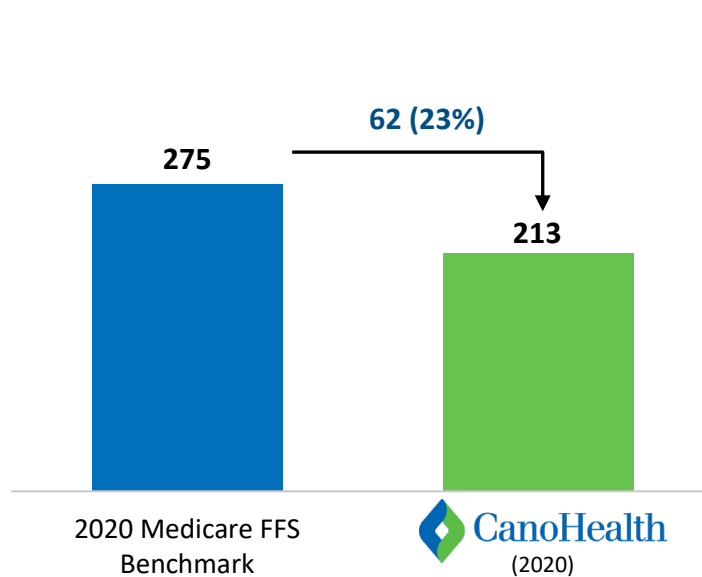
- ▶ Florida: 101
- ▶ Texas: 11
- ▶ Nevada: 8
- ▶ California: 4
- ▶ Illinois: 4
- ▶ New Mexico: 2

Over 1,000 affiliates in Florida, Puerto Rico, New York, New Jersey, and New Mexico

# Delivering Superior Results for Patients

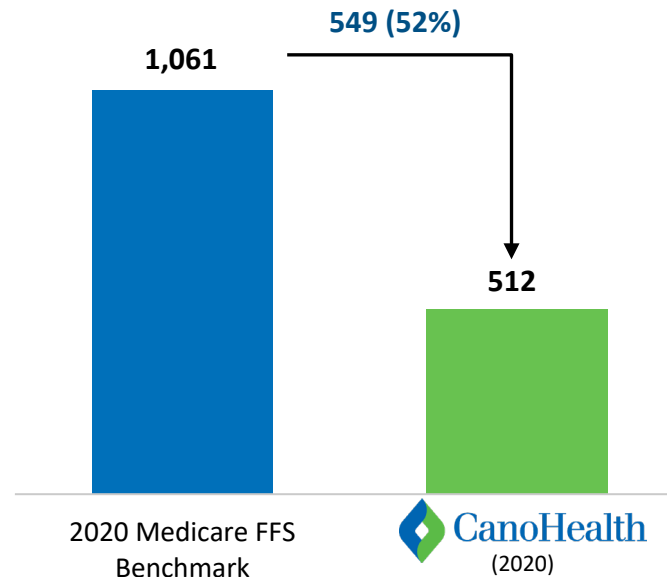
## ▶ Fewer Hospital Admissions<sup>(1)</sup>

(Hospital admissions per 1,000)



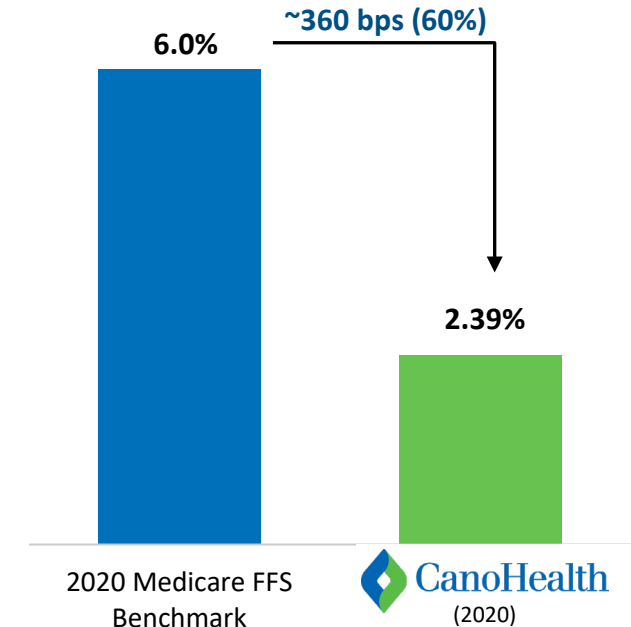
## ▶ Reduced ER Visits<sup>(2)</sup>

(ER visits per 1,000)



## ▶ Lower Mortality Rate<sup>(3)</sup>

(Mortality rate %)



4.7 out of 5.0 HEDIS Quality Score<sup>(4)</sup>

100% of Eligible Physicians NCQA Certified<sup>(5)</sup>

Source: 2020 Medicare Fee-for-Service (FFS) Benchmarks were based on Avalere Health's analysis of Medicare FFS claims data for calendar year 2020 accessed through a Research Data Use Agreement with the Centers for Medicare and Medicaid Services (CMS). The benchmarks are weighted to mirror Cano Health's mix of Non-Dual/Dual Medicare Advantage members.

Note: Previously reported 2020 Cano Health metrics included medical center members only and did not include complete data for recently completed acquisitions. Previously reported Medicare FFS Benchmarks were derived from data that did not reflect the impact of COVID-19.

(1) Based on Cano Health's 213 hospital admissions per thousand MA staff and affiliate model members for 2020 as compared to the 2020 Medicare FFS Benchmark of 275

(2) Based on Cano Health's 512 ER visits per thousand MA staff and affiliate model members for 2020 as compared to the 2020 Medicare FFS Benchmark of 1,061

(3) Based on Cano Health's MA staff model member mortality rate of 2.39% in 2020 as compared to the 2020 Medicare FFS Benchmark of 6.0%

(4) National average HEDIS score is 4.16 out of 5.00 (as of 2020)

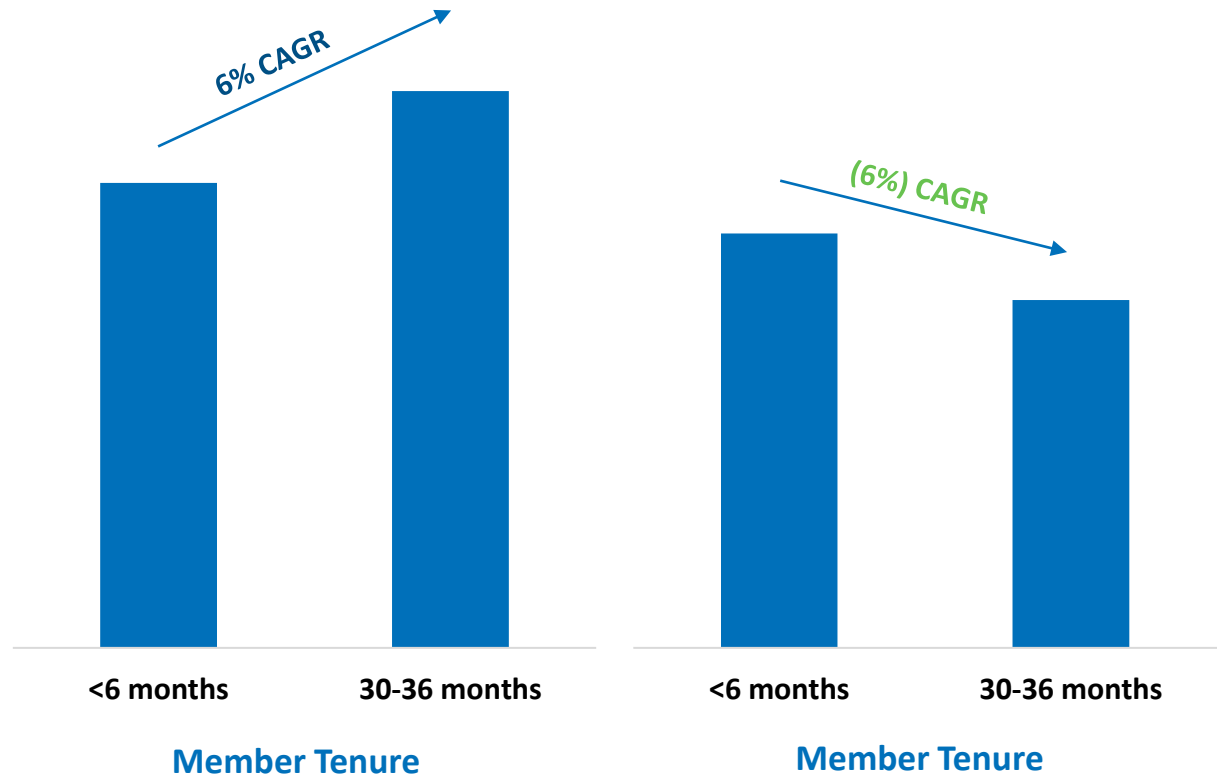
(5) NCQA certification for diabetes and heart disease/stroke (as of December 2021)



# Cano Health's Medicare Advantage Value Based Care: Demonstrated Ability to Meaningfully Bend the Cost Curve

▶ 3-Year Premium PMPM CAGR

▶ Actual 3-Year Medical Cost CAGR



- Cano Health's medical costs (primary care, inpatient, outpatient) for MA members<sup>(1)</sup> declined at a ~6% CAGR
- Cano Health's intensive primary care treatment of chronic conditions can create superior outcomes for patients, payors, and our financial results



Source: Cano Health Internal Analysis with Third Party Support and Cano Health estimate  
(1) The members in the analysis represented 57% of Cano Health's South Florida at Risk Medicare membership in 2019

# CanoPanorama

1

## What is CanoPanorama?

Cano Health's population health management platform; combines people, processes and technology to deliver individualized care complemented by population analytics and actionable data

2

## What is the goal of CanoPanorama?

Provide a centralized, "single pane of glass" portal to view and manage the delivery of healthcare and wellness to our patients

3

## Objective

Provide all Cano providers, affiliates, and corporate staff with actionable data enabling better patient care

5

## Key Success Metrics

- Patient Engagement
- Utilization Management
- Specialist Referrals
- Patient Retention
- Health Assessment Accuracy
- Provider Quality Metrics
- HEDIS Star Rating
- NCQA Accreditation
- Operational Quality
- Process Quality
- Training Adherence
- Clinical Research
- Compliance

4

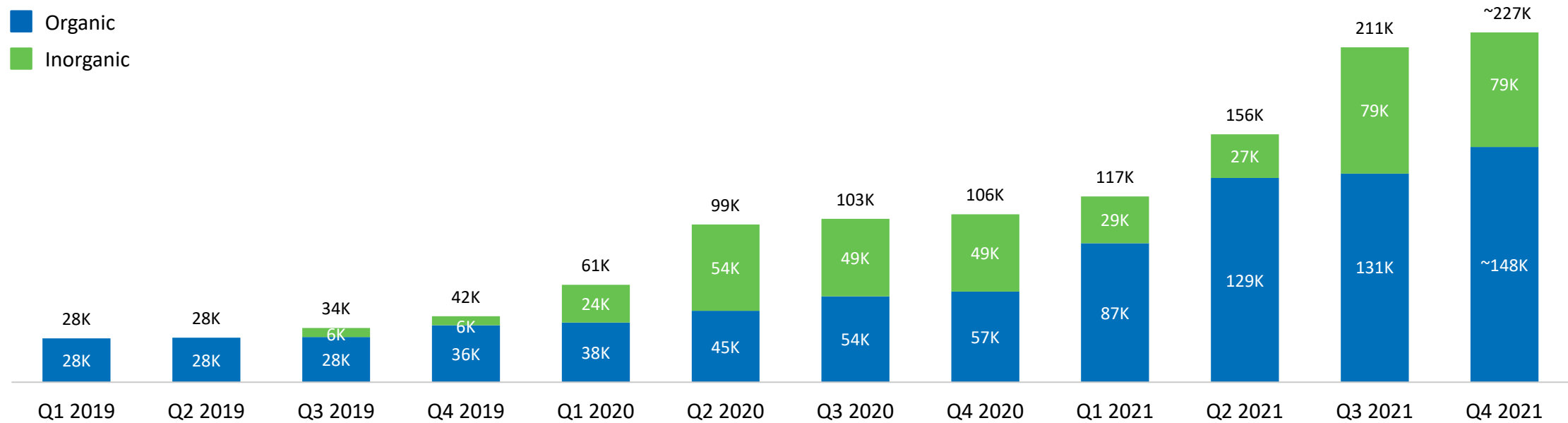
## Key Deliverables

- Risk Stratification
- Clinical Intelligence
- Predictive Analytics
- Business Intelligence
- Patient Care Workflows
- Complex Care Management
- Billing & Coding Support
- Remote Patient Care & Monitoring
- Electronic Health Records
- Clinical Quality & Prevention
- Wellness
- Medication Adherence
- Urgencies & Transitions of Care
- Scheduling & Transportation

# Track Record of Strong Membership Growth

## ► Membership Growth<sup>(1)</sup>

■ Organic  
■ Inorganic



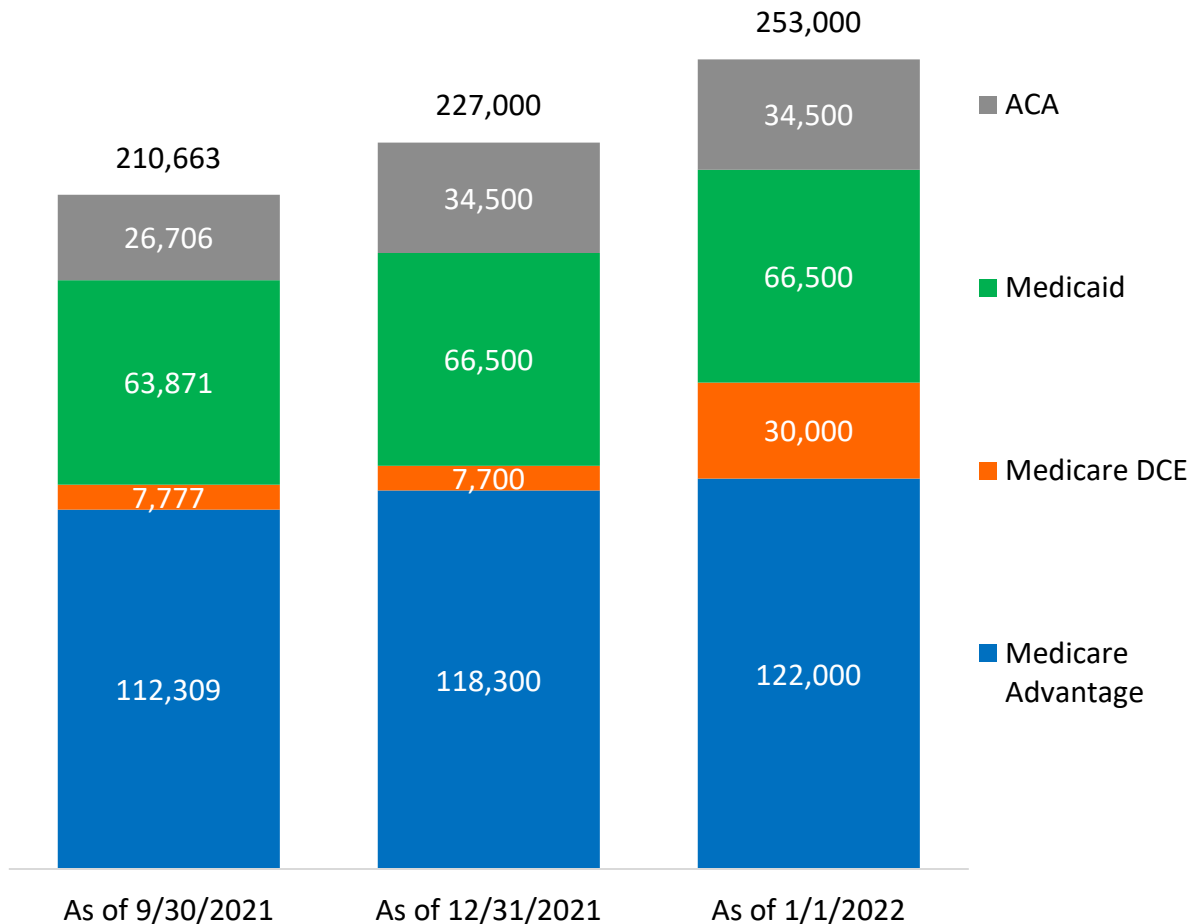
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
<b>Organic Growth:</b>	82%	47%	42%	43%	36%	60%	58%	37%	43%	30%	28%	40%
<b>Total Growth:</b>	82%	47%	71%	66%	122%	253%	201%	155%	91%	57%	105%	114%



Note: Organic growth represents all non-acquired growth, as well as growth from consolidating our existing affiliates and acquiring small nearby practices whose patients and facilities are blended with our nearby owned medical centers  
 (1) Membership as of period end; numbers may not add due to rounding

# Strong Membership Growth in 4Q 21 and at January 1, 2022

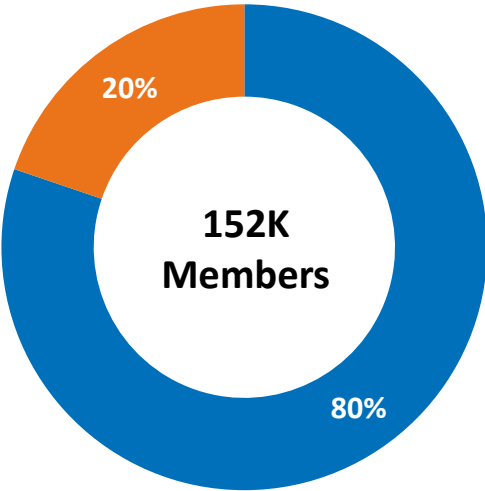
## ► Membership by Product line



- **Open enrollment contributed to Medicare Advantage growth** in both 4Q 21 and at January 1, 2022
  - 4Q 21 total membership of ~227K increased 114% year-over year, with **40% organic growth**; prior 2021 membership guidance was 218K
    - Growth from 3Q21 was **entirely organic**
  - On January 1, 2022, total membership was ~253K
    - Growth from 4Q 21 was **entirely organic**

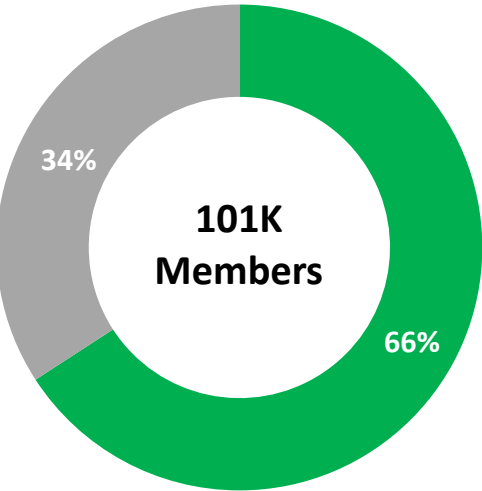
# Business Mix Provides Stability and Diverse Sources of Growth

January 1, 2022  
Medicare Membership



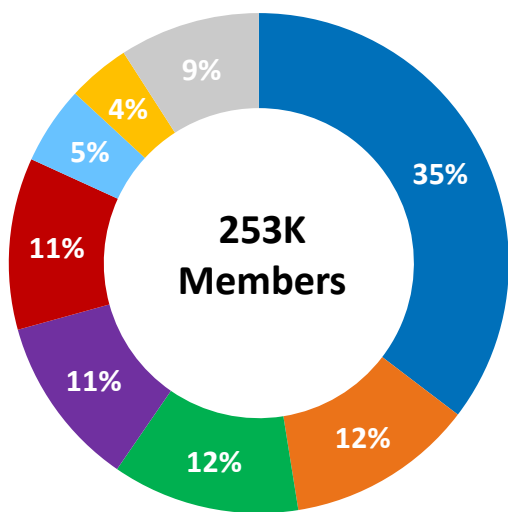
■ Medicare Advantage ■ Medicare DCE

January 1, 2022  
Other Membership



■ Medicaid ■ ACA

January 1, 2022  
Membership by Payor



■ Humana ■ Anthem ■ CMS ■ United  
■ Centene ■ CVS ■ BCBS ■ Other

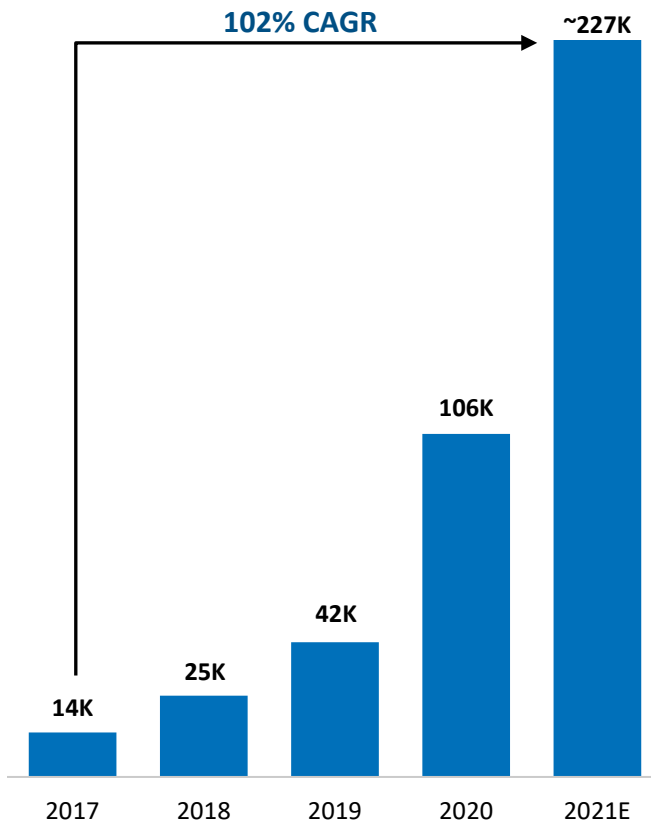
Note: Numbers may not add due to rounding. Membership is approximate as reported on January 7, 2022



# Cano Health's Growth Has Been Explosive

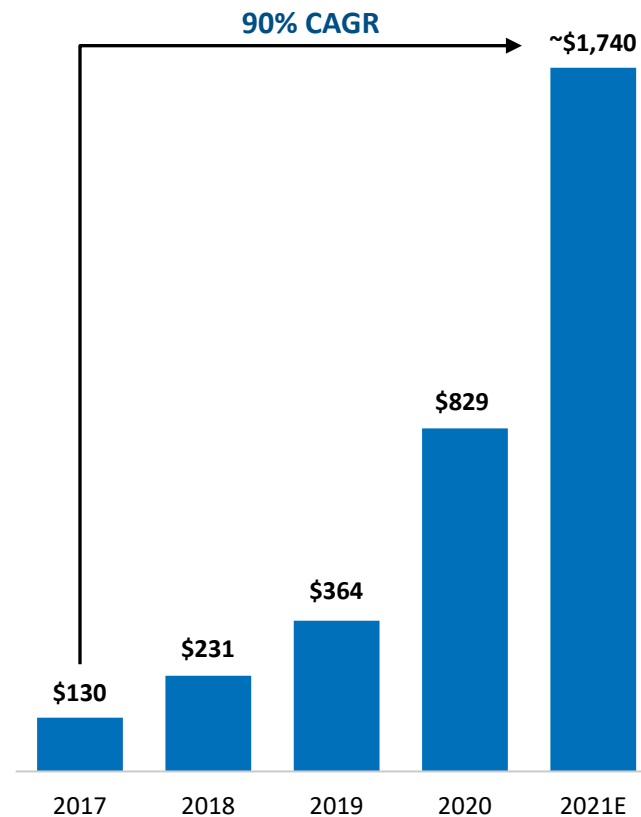
## ► Membership<sup>(1)</sup>

(Members in thousands)



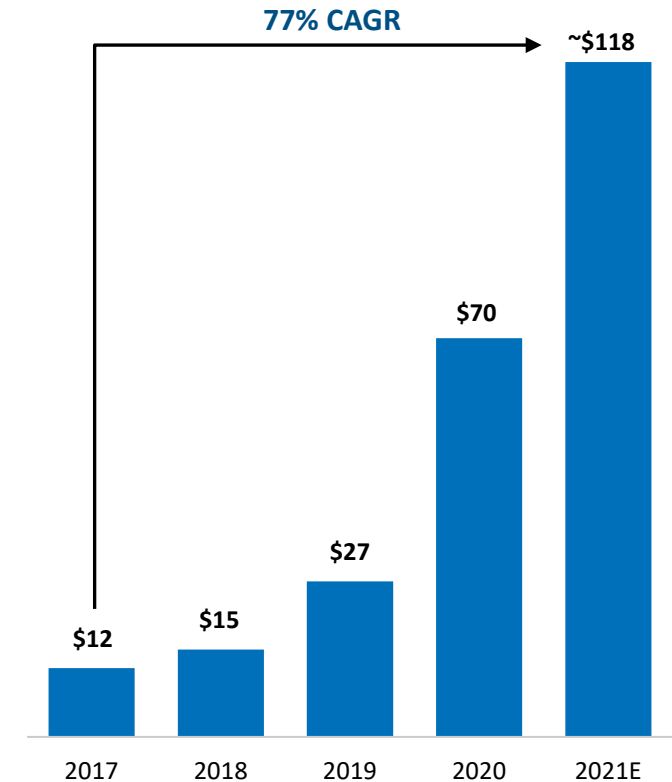
## ► Revenue

(\$ in millions)



## ► Adj. EBITDA<sup>(2)</sup>

(\$ in millions)



(1)  
(2)

Membership as of period end. 2021E members as reported on January 7, 2022; 2021E Revenue and Adjusted EBITDA as guided on 11/9/21

Adjusted EBITDA is a non-GAAP financial measure. Please see our SEC filings for reconciliations of Adjusted EBITDA to the most comparable GAAP measure

# Cano Health Investment Thesis

- ▶ Essential
- ▶ Growing
- ▶ Profitable
- ▶ National

- We provide essential primary care and population health management services to historically underserved communities, delivering **quality care at a lower cost**
- We have a record of **strong membership growth**, driven by the attractiveness of Cano Health's services and our flexible growth avenues
- Our care model leverages our population health platform to achieve **attractive margins**
- Medicare remains the fastest growing market in healthcare, providing Cano Health the opportunity **to continue growing nationally**

