

# Investor Presentation

November 2022



modivcare

# Forward Looking Statements

Certain statements contained in this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are predictive in nature and are frequently identified by the use of terms such as “may,” “will,” “should,” “expect,” “believe,” “estimate,” “intend,” and similar words indicating possible future expectations, events or actions. The updated guidance discussed herein constitutes forward-looking statements. Such forward-looking statements are based on current expectations, assumptions, estimates and projections about our business and our industry, and are not guarantees of our future performance. These statements are subject to a number of known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control or predict, which may cause actual events to be materially different from those expressed or implied herein, including but not limited to: the early termination or non-renewal of contracts; our ability to successfully respond to governmental requests for proposal; our ability to fulfill our contractual obligations; our ability to identify and successfully complete and integrate acquisitions; our ability to identify and realize the benefits of strategic initiatives; the loss of any of the significant payors from whom we generate a significant amount of our revenue; our ability to accurately estimate the cost of performing under certain capitated contracts; our ability to match the timing of the costs of new contracts with its related revenue; the outcome of pending or future litigation; our ability to attract and retain senior management and other qualified employees; the accuracy of representations and warranties and strength of related indemnities provided to us in acquisitions or claims made against us for representations and warranties and related indemnities in our dispositions; our ability to effectively compete in the marketplace; inadequacies in or security breaches of our information technology systems, including our ability to protect private data; the impact of COVID-19 on us (including: the duration and scope of the pandemic; governmental, business and individuals’ actions taken in response to the pandemic; economic activity and actions taken in response; the effect on our clients and client demand for our services; and the ability of our clients to pay for our services); seasonal fluctuations in our operations; impairment of long-lived assets; the adequacy of our insurance coverage for automobile, general liability, professional liability and workers’ compensation; damage to our reputation by inaccurate, misleading or negative media coverage; our ability to comply with government healthcare and other regulations; changes in budgetary priorities of government entities that fund our services; failure to adequately comply with patient and service user information regulations; possible actions under Medicare and Medicaid programs for false claims or recoupment of funds for noncompliance; changes in the regulatory landscape applicable to Matrix; changes to our estimated income tax liability from audits or otherwise; our ability to meet restrictive covenants in our credit agreement; and the accuracy of our accounting estimates and assumptions. The Company has provided additional information in our annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. We undertake no obligation to update or revise any forward- looking statements contained in this presentation, whether as a result of new information, future events or otherwise, except as required by applicable law.

## Non-GAAP Financial Information

In addition to the financial measures prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), this investor presentation includes presentation of EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin for the Company and its segments, pro forma presentations of such financial measures that adjust for the acquisitions identified herein, and EBITDA and Adjusted EBITDA for the Company’s Matrix equity investment, which are performance measures that are not recognized under GAAP. EBITDA is defined as net income (loss) before: (1) interest expense, net, (2) provision (benefit) for income taxes and (3) depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before (as applicable): (1) restructuring and related charges, including severance and organizational consolidation costs and professional services fees, (2) certain transaction and related costs, (3) cash settled equity, (4) stock-based compensation, (5) COVID-19 related costs, net of grant income, and (6) equity in net (income) loss of investee, net of tax. Adjusted EBITDA margin is calculated as Adjusted EBITDA, divided by service revenue, net. Our non-GAAP performance measures exclude expenses and amounts that are not driven by our core operating results and may be one time in nature. Excluding these expenses makes comparisons with prior periods as well as to other companies in our industry more meaningful. We believe such measures allow investors to gain a better understanding of the factors and trends affecting the ongoing operations of our business. We consider our core operations to be the ongoing activities to provide services from which we earn revenue, including direct operating costs and indirect costs to support these activities. As a result, our net income or loss in equity investee is excluded from these measures, as we do not have the ability to manage the venture, allocate resources within the venture, or directly control its operations or performance. Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial measures differently. In addition, there are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP, may be different from non-GAAP financial measures used by other companies, and exclude expenses that may have a material impact on our reported financial results. The presentation of non-GAAP financial measures is not intended to be considered in isolation from or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. We urge you to review the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate our business.

# Company at-a-Glance

## Modivcare's One-of-a-Kind Integrated Supportive Care Platform

- Modivcare's integrated supportive care platform provides a full suite of solutions that address the **social determinants of health ("SDoH")**, serving healthcare's most vulnerable populations
  - Largest provider of **non-emergency medical transportation ("NEMT")** solutions
  - Leading provider of in-home **personal care** services
  - Industry-leading provider of in-home **remote patient monitoring ("RPM")** solutions
  - Developing an innovative **nutritional meal delivery** offering

## By the Numbers <sup>(2)</sup>

**~36M**

*NEMT Lives Managed*

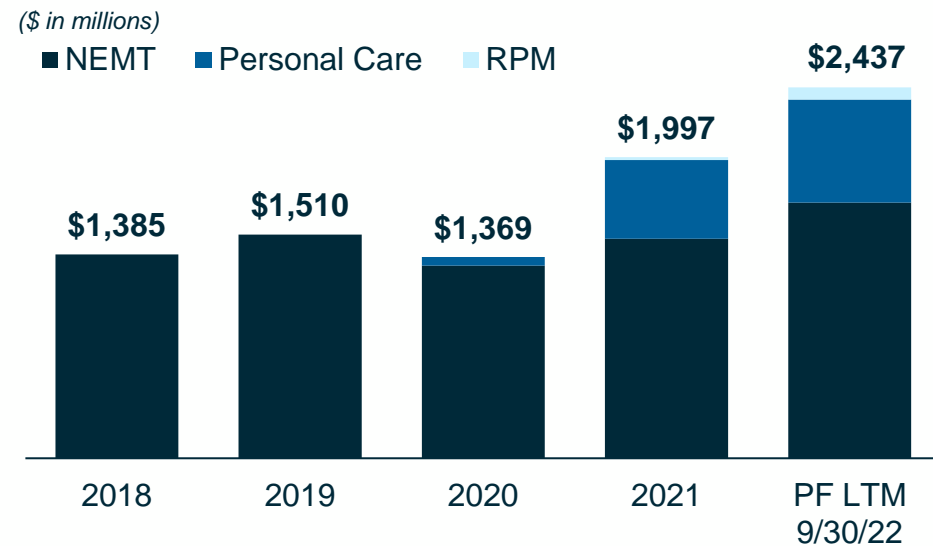
**~27M**

*PCS Hours of Care*

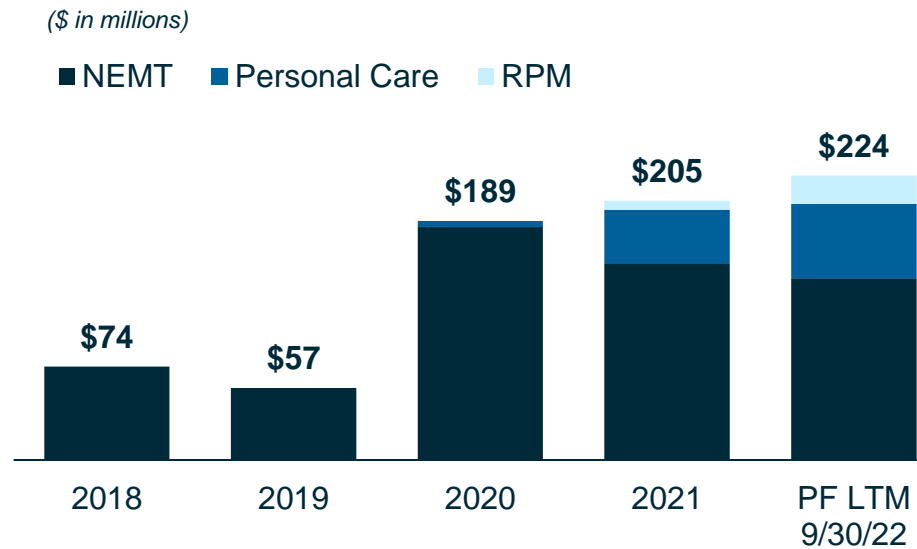
**~230K**

*RPM Patients Served*

## Revenue <sup>(1)</sup>

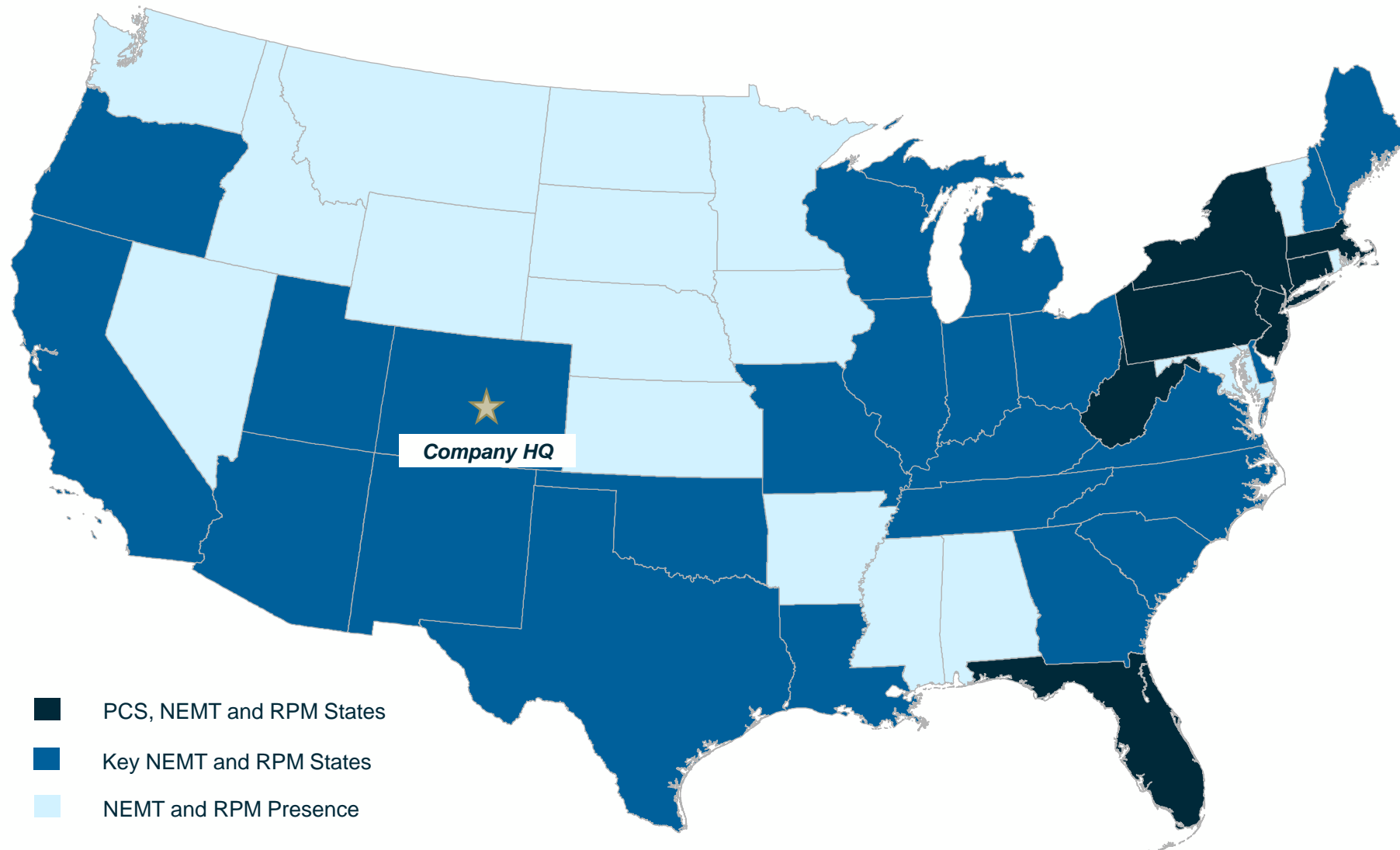


## Adj. EBITDA <sup>(1)</sup>



Note: Please refer to Appendix for a reconciliation of GAAP to non-GAAP figures  
 (1) LTM 9/30/2022 figures pro forma for the acquisitions of Guardian Medical Monitoring  
 (2) Represents actual scope as of Q3 2022

# Modivcare's National & Market-Leading Presence



## Leading Market Positions (1)

**#1** or **#2**

Size, scale and resources provide a clear competitive advantage

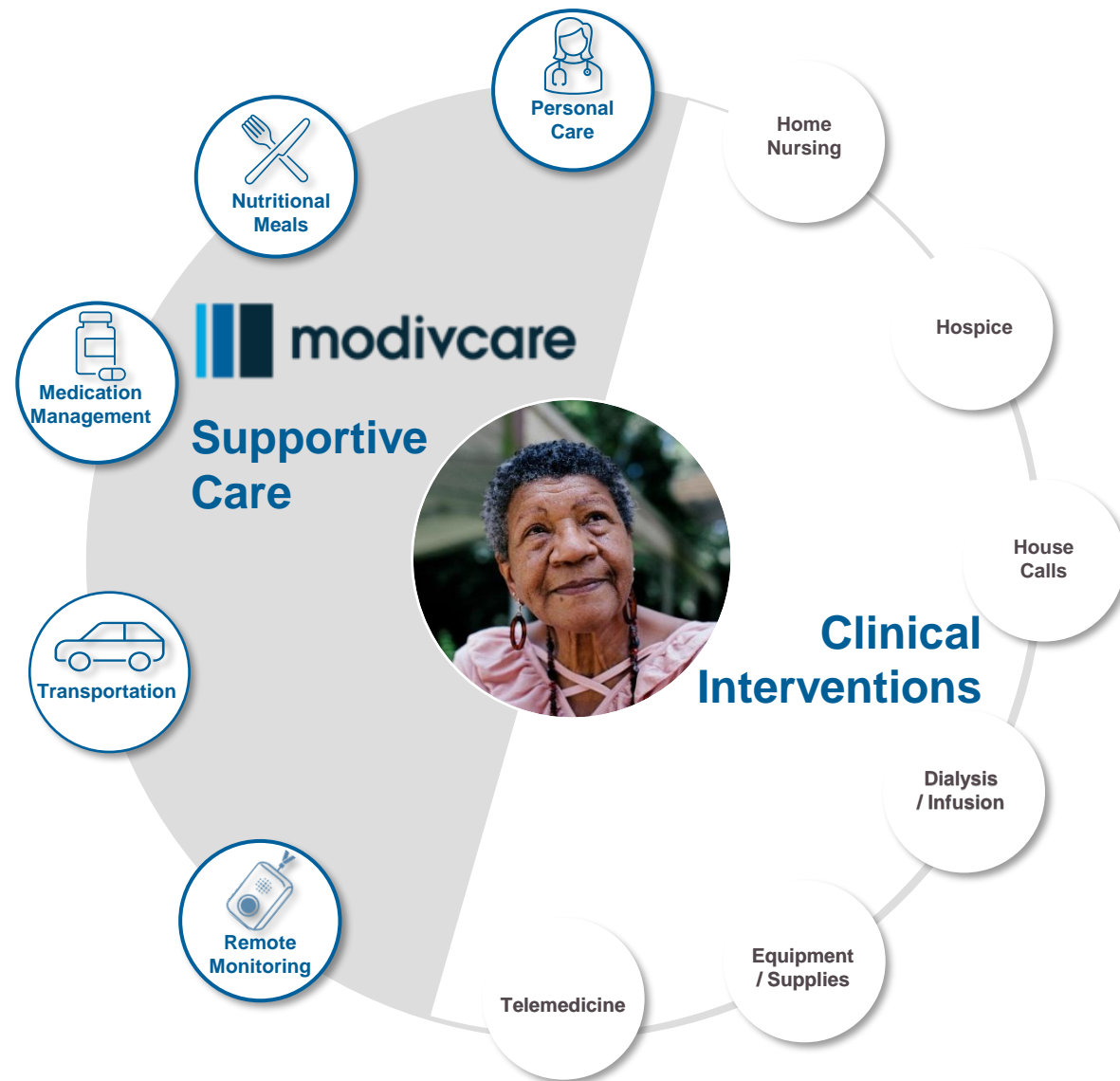
Unique SDoH platform with multiple service lines in each state

Whitespace to continue expansion across all services lines

(1) Company estimate

# One-of-a-Kind Integrated Supportive Care Platform

Unique supportive care platform elevates the member experience, improves health outcomes, and reduces costs



Serving **36 million Medicaid** and **Medicare Advantage** members

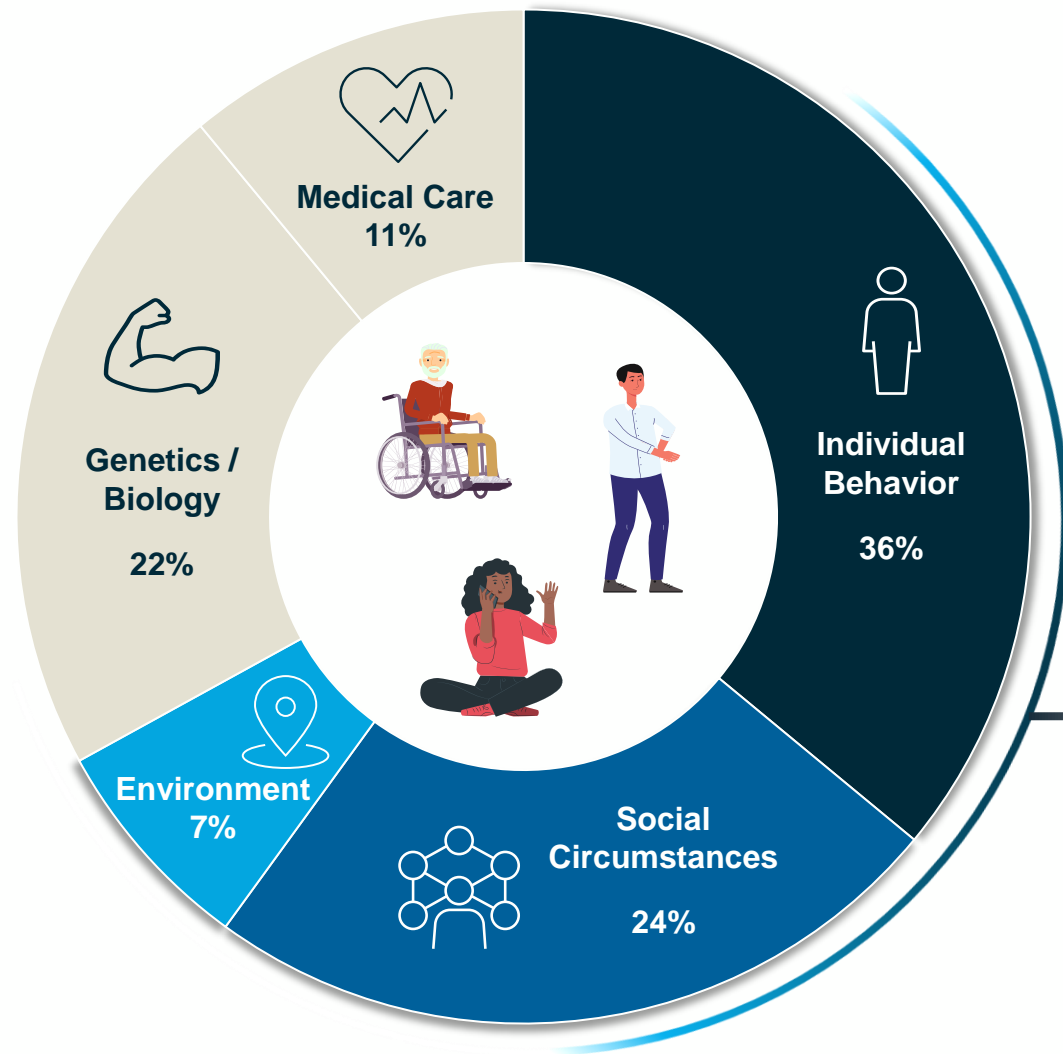
Solutions that address the **social determinants of health**

**High-touch, tech-enabled** approach using **data and insights** that lead to improved health outcomes and reduced costs

Core competency of underwriting risk and capitated contracting that supports **value-based care** arrangements

# Supportive Care's Role in Addressing the Social Determinants of Health

## Determinants of Health



89% 

OF HEALTH OCCURS OUTSIDE THE CLINICAL SPACE <sup>(1)</sup>



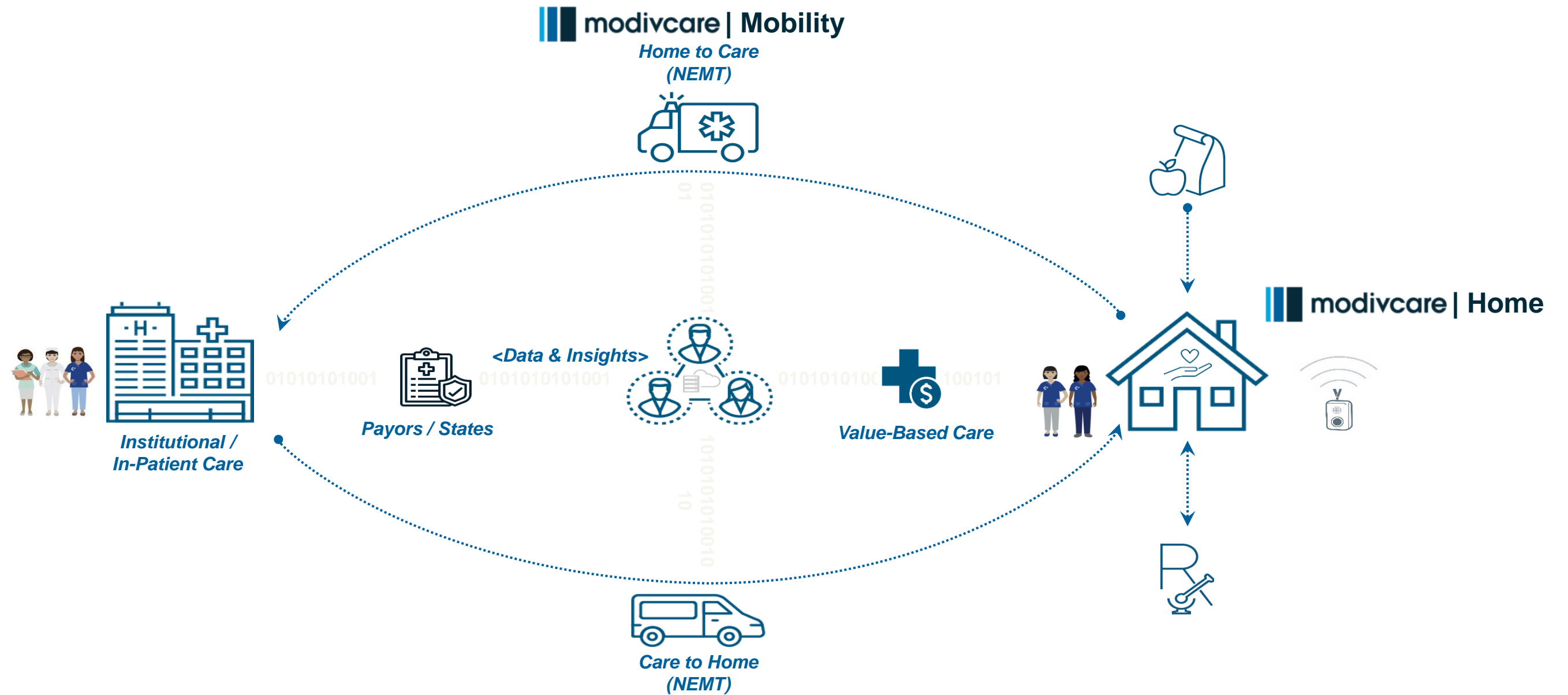
60% 

OF HEALTH SPEND IS FOCUSED ON MEDICAL CARE

**Modivcare's integrated supportive care platform is focused on addressing social determinants of health**

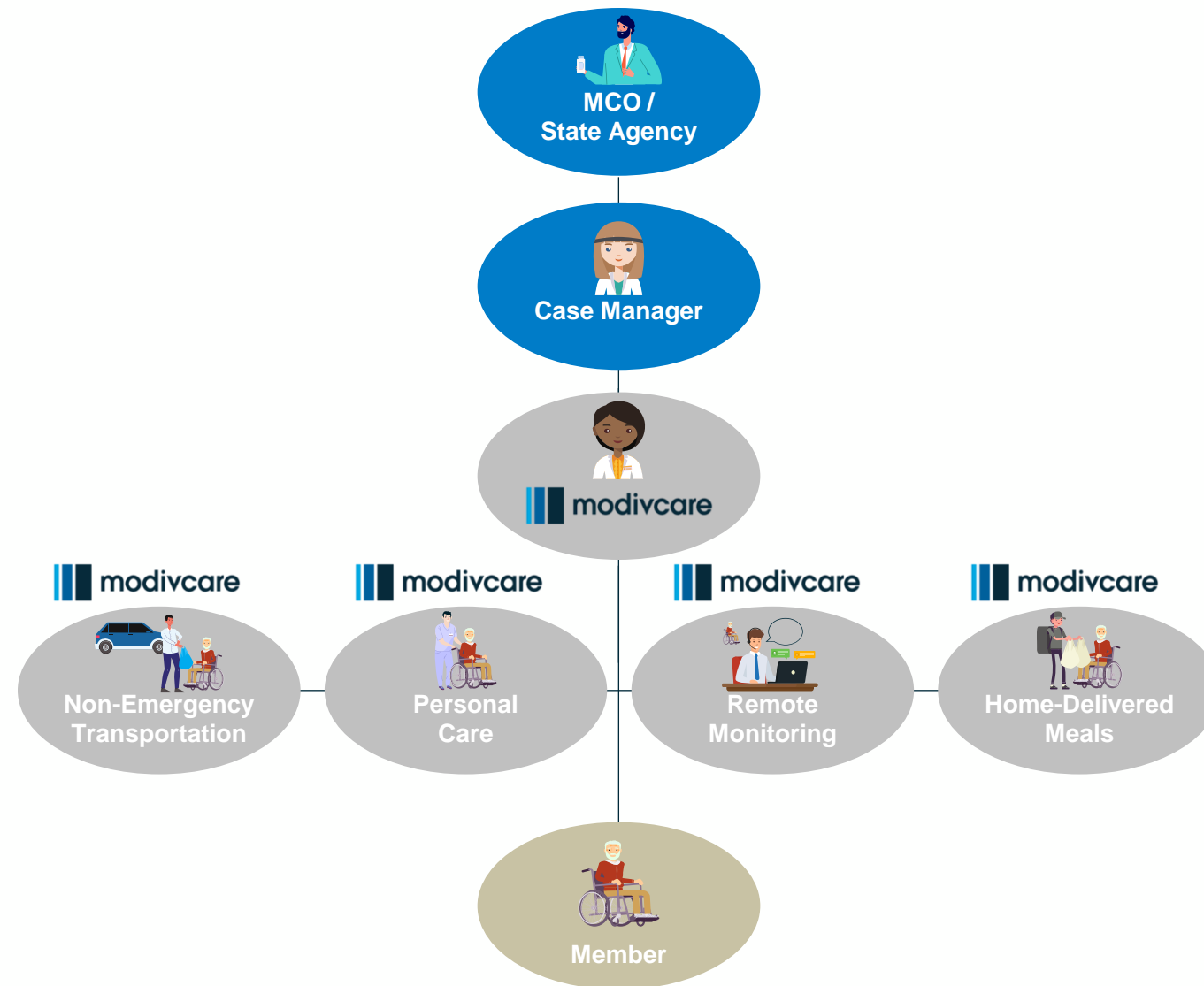
(1) [Determinantsofhealth.org](https://determinantsofhealth.org)

# Owning The First and Last Mile of Care



# Value Proposition of Integrated Supportive Care

Modivcare's Home offerings are derived from flow through the same referral source: **case managers**



*Coordinated care through single point of contact*

*Care navigation helps members understand their benefits*

*Enhanced member engagement via multiple touchpoints*

*Meaningful cross-selling opportunities*



# Business Segments



# Modivcare's Divisions

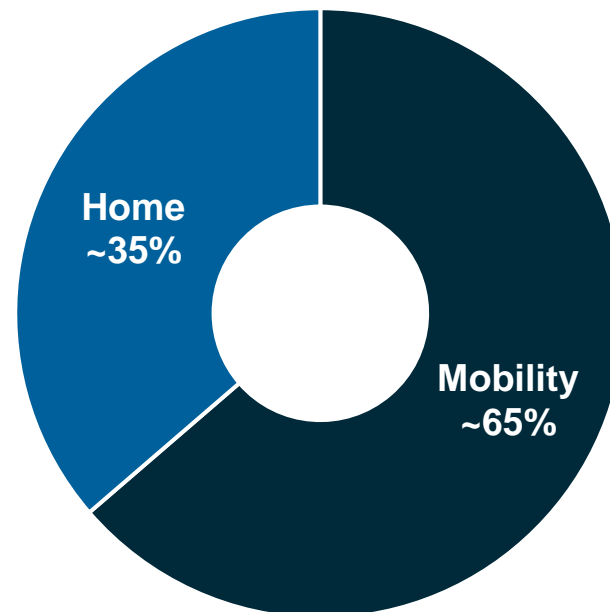
## modivcare | Home

- **Personal Care** – Leading provider of non-medical personal care services (PCS) to seniors and disabled adults; \$55B market growing to \$100B <sup>(1)</sup>
- **Remote Patient Monitoring** – Second largest RPM company serving healthcare clients with Connected Devices and Data-Driven Member Engagement; \$9B market growing at +10% <sup>(2)</sup>
- **Meal Delivery** – Innovative meal delivery program with a national foodservice provider; \$9B market growing to \$15B <sup>(3)</sup>



## modivcare | Mobility

- **NEMT** – Largest non-emergency medical transportation manager, serving a \$6B market growing to \$14B <sup>(4)</sup>
  - Enables eligible members whose limited mobility or financial resources hinders their ability to access necessary healthcare and social services



*Note: Division percentages represent mix of Segment Adjusted EBITDA excluding the Corporate segment for YTD 9/30/22; (1) Represents 2019-2024 Personal Care Services market growth; (2) Represents 2020 Remote Monitoring Core Serviceable Market and CAGR through 2025; (3) Represents Meal Delivery addressable market growth through 2024; (4) Represents 2021 market plus \$4B Medicare Advantage market opportunity and \$6B Adjacent NEMT market opportunity*

Copyright © 2022 Modivcare® Inc.

# modivcare | Home: Personal Care Services (PCS) Segment

**Personal Care** – One of the largest providers of personal care services (PCS) in the U.S. for Medicaid

**Customer Retention** – High customer retention rates with average length of stay of 4 years

**Team Member Retention** – Industry leading retention and low turnover

## Select Services

Providing **non-medical** personal care for **activities of daily living**



Meal Preparation



Mobility Assistance



Personal Hygiene



Medication Adherence

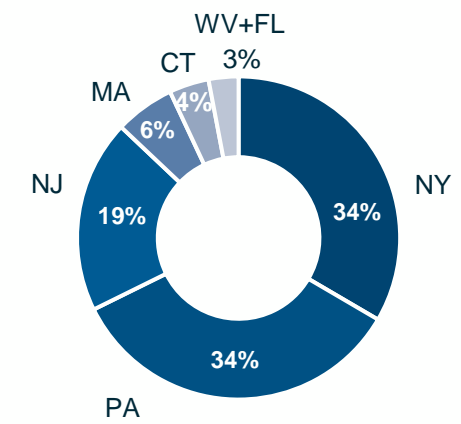
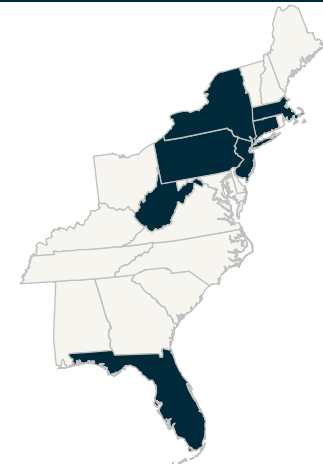


Assistance with Dressing



Companionship

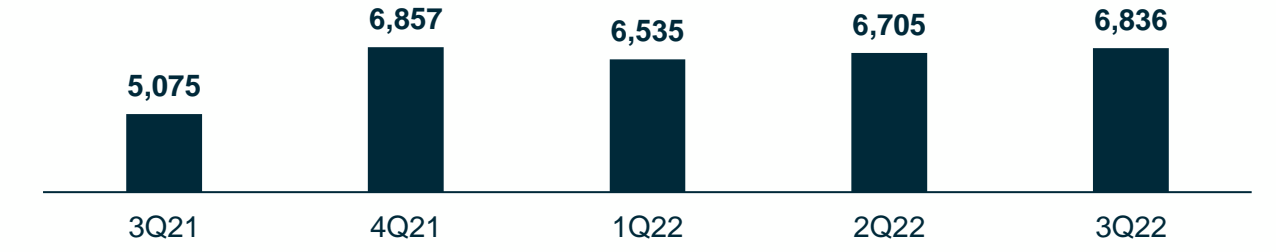
## Modivcare's PCS Footprint (1)



## By the Numbers (1)

<b>\$649M</b> Revenue	<b>\$66M</b> Adj. EBITDA
<b>27M</b> Hours of Care	<b>+7% to +9%</b> LT Targeted Revenue CAGR

## Personal Care Hours (000s) (2)



Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation  
 (1) Represents LTM 9/30/22  
 (2) Represents actual hours of service, in thousands

# modivcare | Home: Remote Patient Monitoring (RPM) Segment

**24/7 Care Centers** – Three care centers leverage proprietary technology and data analytics to monitor 230k+ members (“clients”)

**NPS Rating** – World-class NPS rating of 86 driven by industry leading call center response time

**Device Agnostic** – Outcomes-driven service model incorporating a device agnostic approach with 250+ integrated devices

## Select Services

Real-time medical alert and engagement with **24/7 access to care** assistance



Personal Emergency Response Systems



Vitals / Chronic Condition Monitoring



Medication Management



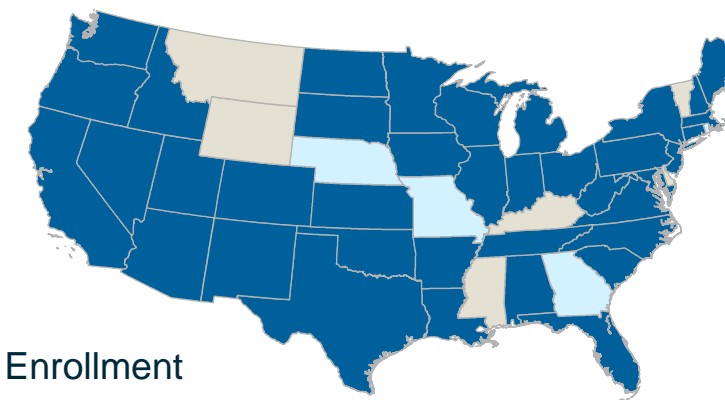
Health Plan Member Engagement (E3)

Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation

(1) Represents LTM 9/30/22 pro forma for the Guardian Medical Monitoring acquisition

(2) Represents average active total clients, in thousands, pro forma for the VRI acquisition

## National Footprint



● Licensed States

○ 2022 Medicaid License Enrollment

## By the Numbers (1)

**\$76M**

PF Revenue

**\$27M**

PF Adj. EBITDA

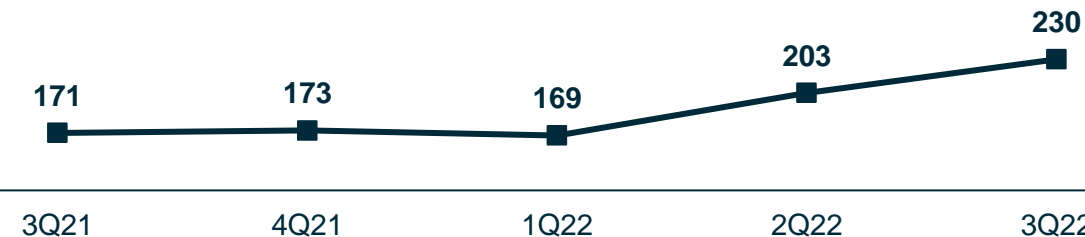
**35%**

PF Adj. EBITDA Margin

**Mid-Teens**

LT Targeted Revenue CAGR

## Average Clients Monitored (000s) (2)



Copyright © 2022 Modivcare® Inc.

# modivcare | Home: Nutritional Meal Delivery

Modivcare has **launched an innovative meal delivery program** offering food for insecure patients

**~30 proof of concepts** and **2+ million meals** delivered to date, with opportunities in **Medicaid** and **Medicare Advantage**

Partnering with a food service provider to **maintain asset light model**, with opportunity for **significant upselling opportunities**

## Key Differentiators

Opportunity for Modivcare to **leverage “last mile” presence** as well as our:



Channel Expertise



Technology Platform

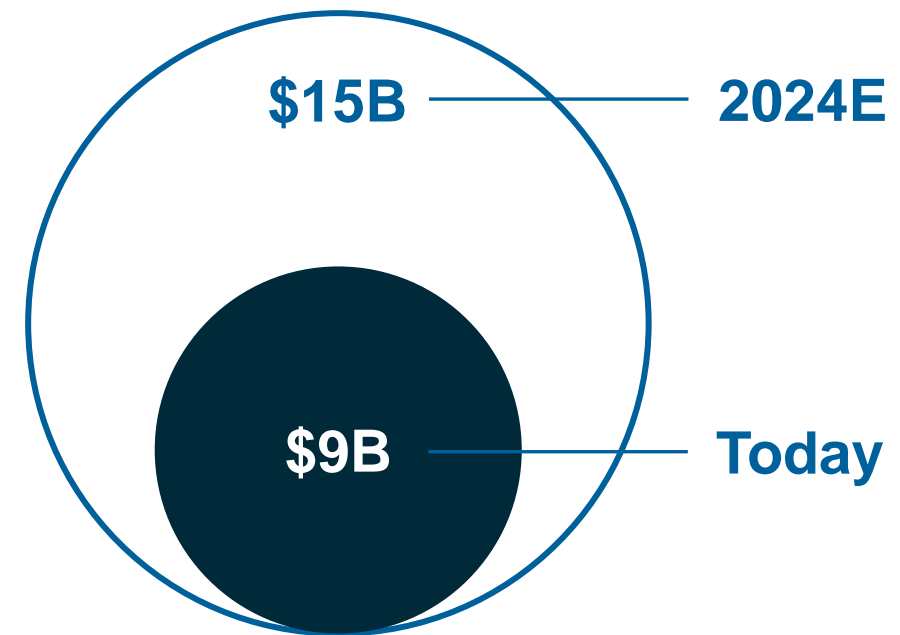


Logistical Expertise



Strong Customer Relationships

## Large and Growing Addressable Market <sup>(1)</sup>



**\$9B market growing ~19% annually to \$15B by 2024**

(1) 2021 Nutritional Meal Delivery market per McKinsey research

# modivcare | Mobility: NEMT







**#1 NEMT Market Position** – Scaled national provider of non-emergency medical transportation

**Long-standing relationships** – Contracted with state agencies and MCOs with strong retention rates

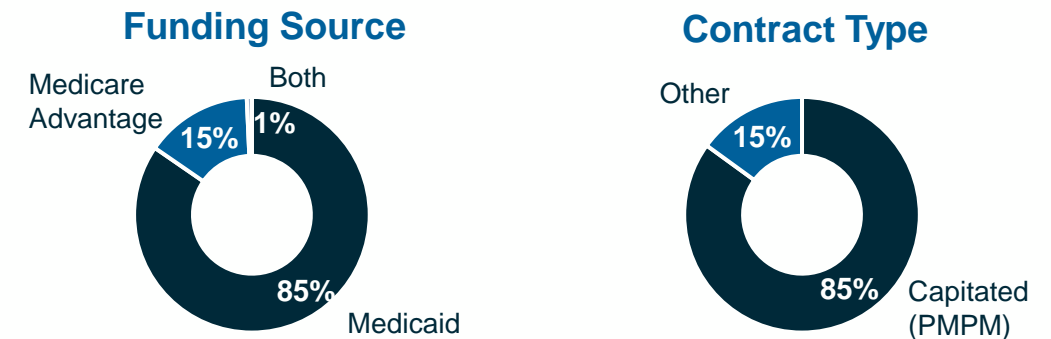
**Deep Transportation Network** – Multi-modal third-party network provides members access to care nationwide

## Select Services

Provide **various service levels** for access to essential treatment types

-  Traditional Providers
-  Wheelchair Accessible
-  Mileage Reimbursement
-  Public Transportation
-  Rideshare
-  ALS/BLS and Other

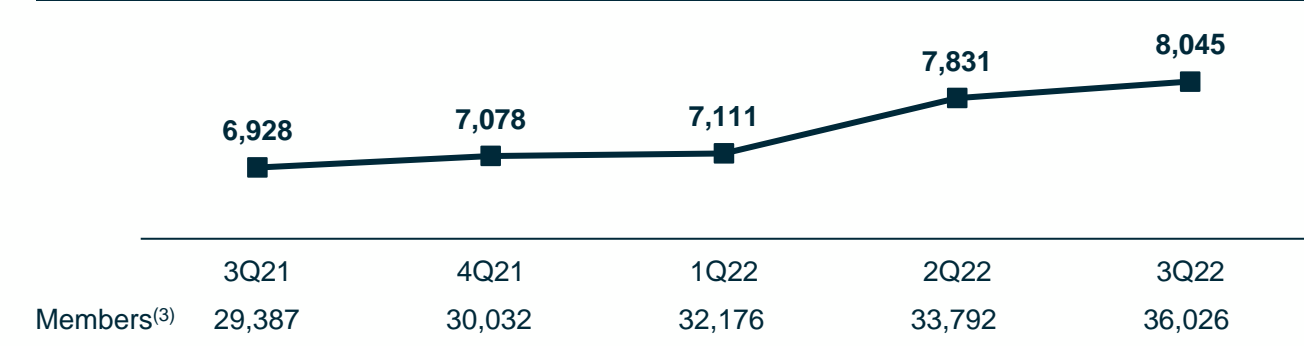
## Revenue Breakdown (1)



## By the Numbers (1)

<b>\$1.7B</b> Revenue	<b>\$172M</b> Adj. EBITDA
<b>36M</b> Lives Managed	<b>+7% to +10%</b> LT Targeted Revenue CAGR

## NEMT Monthly Trips (000s) (2)



(1) Represents LTM 9/30/22  
 (2) Represents average monthly verified paid trips, in thousands  
 (3) Represents average monthly Members, in thousands

# Investment Highlights



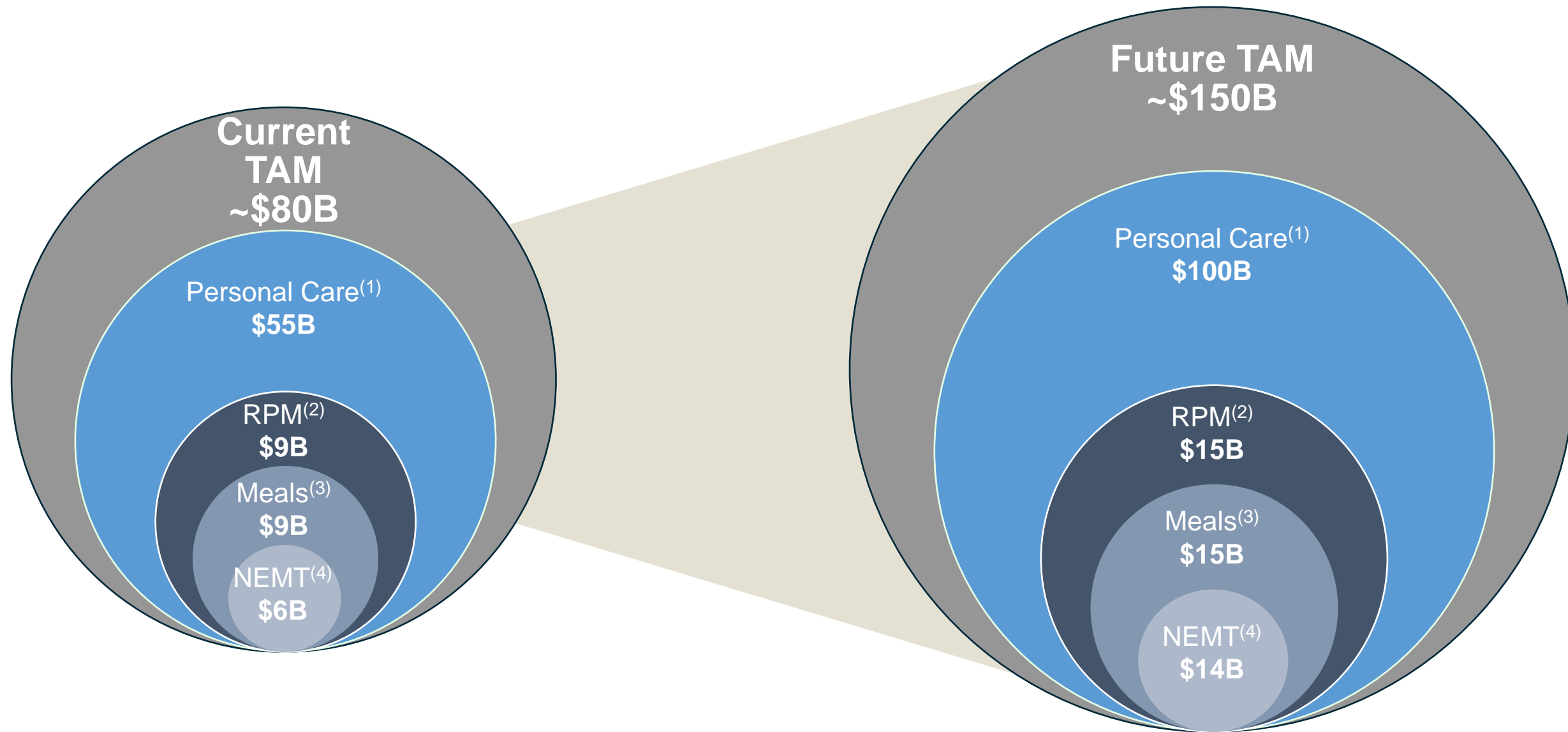
# Investment Highlights

- 1 Broadened Addressable Market Through Expanded Solutions Offering**
- 2 Compelling Value Proposition to Payors**
- 3 Growing Medicare Advantage Supplemental Benefits**
- 4 Diversified Growth Strategy**
- 5 Differentiated Healthcare Mobility Offering**
- 6 Future Opportunity to Monetize Matrix Equity Investment**



1

# Broadened Addressable Market Through Expanded Solutions Offering



Source: Modivcare and third-party estimates. (1) Represents 2019-2024 Personal Care Services market growth; (2) Represents 2020 Remote Monitoring Core Serviceable Market and CAGR through 2025; (3) Represents Meal Delivery addressable market growth through 2024; (4) Represents 2021 market plus \$4B Medicare Advantage market opportunity and \$6B Adjacent NEMT market opportunity

## 2

# Compelling Value Proposition to Payors

Integrated supportive care model that expands access to care, enhances quality of care and reduces costs



Removes **transportation as a barrier to care** and addresses the inequities of Social Determinants of Health



Facilitates **“aging in place” in lower cost settings** (patients homes), over higher cost institutional settings



Provides **increased connectivity inside of the patient’s home**, and **access to unique patient data and information** to close gaps in care and increase patient engagement



Focus on value-based care solutions and outcomes that **drive lower comprehensive cost of healthcare**



Leverage data analytics to produce **actionable insights to drive proactive patient interventions**



**Promotes better patient outcomes** through innovative supporting care solutions that improve quality of care

# 3

## Growing Medicare Advantage Supplement Benefits

Modivcare's **services are growing faster** than the current largest Medicare Advantage supplemental benefits

Benefit	2022 Growth	Penetration in Plans
Post-Acute Meal Benefit	+32%	69%
Transportation	+20%	50%
Personal Emergency Response Systems	+38%	25%
In-Home Support Services (PCS)	+84%	12%

### Opportunity to expand further:



Redefine Modivcare's multiple solutions as a single SDoH benefit

Health plans are pushing for overall expansion of preventative benefits

Sources: Overview of Medicare Advantage Supplemental Healthcare Benefits and Review of Contract Year 2022 offerings, Milliman Brief, February 22, 2022

# 4

## Diversified Growth Strategy

Addition of strategic platforms advances broader technology and data strategy

### Provide High Quality Supportive Care to At-Risk Populations

- Drive organic growth with existing customers and patients through enhanced breadth of services, expanded payor and referral source relationships, and de novo sites (personal care)
- Continue to allocate capital efficiently to generate strong free cash flows

### Strategic Expansion of “one-stop shop” SDoH solution offering

- Comprehensive integrated solutions offering as the leading provider of SDoH support services and solutions
- Opportunities to acquire additional personal care operators, and potential to partner and/or acquire providers of behavioral care services

### Advance Broader Technology Strategy





- Leverage proprietary technology and analytics infrastructure to synthesize member data and gain insights to drive increased member engagement
- Utilize real time, actionable member data and insights to bend the cost curve and promote early interventions to improve outcomes

### Capitalize on Evolving Medicare Advantage Momentum

- Significant market opportunity and well-established momentum in a number of MA plans offering transportation, remote monitoring, meal delivery, and personal care benefits
- Drive value from member engagement, leveraging increasing demand for data and frequent engagement to drive measureable outcomes for MA plans, as part of value-based care

5

# Differentiated Healthcare Mobility Offering

		 modivcare	Rideshare	Commentary
<b>Operations</b>	Claims Processing	●	○	<p>Modivcare is a full-service NEMT broker, providing a full suite of operating capabilities directly to payors and providers.</p> <p>Modivcare’s drivers receive comprehensive NEMT training before being allowed to deliver rides in our network.</p>
	Contact Center Operations	●	○	
	NEMT Driver Training / Credentialling	●	◐	
<b>Level of Service</b>	Ambulatory (Curb to Curb)	●	◐	   <p>Modivcare’s network of drivers are fully equipped to assist members for all levels of service.</p>
	Assisted (Door to Door)	●	◐	
	Wheelchair / Stretcher	●	◐	
<b>Contracted Payor Types</b>	Medicaid Programs	●	◐	<p>Modivcare serves the largest Medicaid and Medicare Advantage customers in the U.S. with its full-service NEMT offerings.</p> <p>Modivcare offers a complete range of contracts for our customers, including capitated, fee for service and administrative.</p>
	Medicare Advantage Programs	●	◐	
	Health Systems and Providers	◐	◐	
<b>Technology</b>	Consumer/Driver Technology Interface	◐	●	<p>Modivcare has built out a robust member and driver app, while also providing an open API framework for transportation providers to tie into its technology infrastructure and route management systems.</p>
	Open API Software Integration	◐	◐	
<b>Network Depth</b>	Suburban / Rural Network	●	◐	<p>Modivcare has a national network of transportation providers which deliver advance notice trips across all regions.</p> <p>Modivcare partners with Rideshare for on-demand trips, while also bolstering its own multi-modal on demand network.</p>
	Urban Network	◐	●	
	On-Demand	◐	●	
	Scheduled	●	◐	

 Represents where Modivcare receives support from rideshare companies

Copyright © 2022 Modivcare® Inc.

# 6 Future Opportunity to Monetize Matrix Equity Investment

- **National network of community-based clinicians** who deliver in-home and on-site services
- Advanced engagement approach, help payors **manage risks and close care gaps**
- Modivcare owns a **43.6%** minority stake in the Company
  - Represents additional **“hidden” value** not reflected in Modivcare’s reported adjusted EBITDA
- Precedent transaction multiples imply **significant value-creation potential** in a monetization scenario

## Business Segments



- Provides seniors and other at-risk individuals with high quality of care, improved health outcomes, and identify chronic conditions



- Design custom workplace health solutions and providing testing, tracing, and clinical care solutions



- CLIA-certified and CAP-accredited laboratory that provides diagnostic services and clinical testing support

## By the Numbers <sup>(1)</sup>

<b>\$398M</b> Revenue	<b>\$67M</b> Adj. EBITDA
<b>3,750</b> Clinicians	<b>43.6%</b> Ownership

(1) Represents FY2021

# Financial Summary

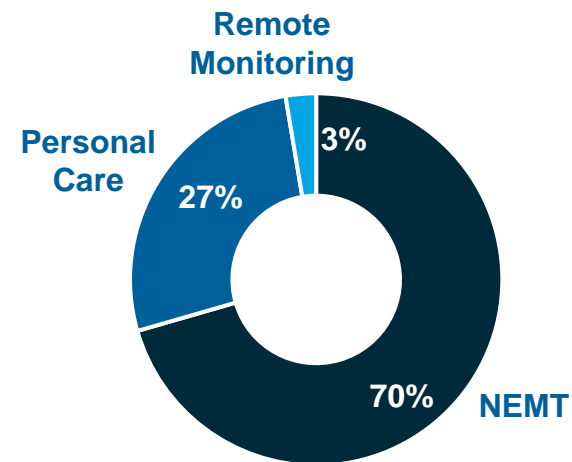


# Financial Overview

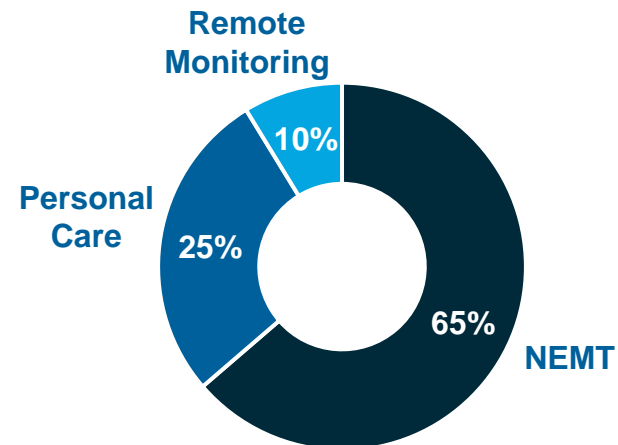
Significant improvement in operating performance in recent years as Modivcare built supportive care platform

## Business Mix

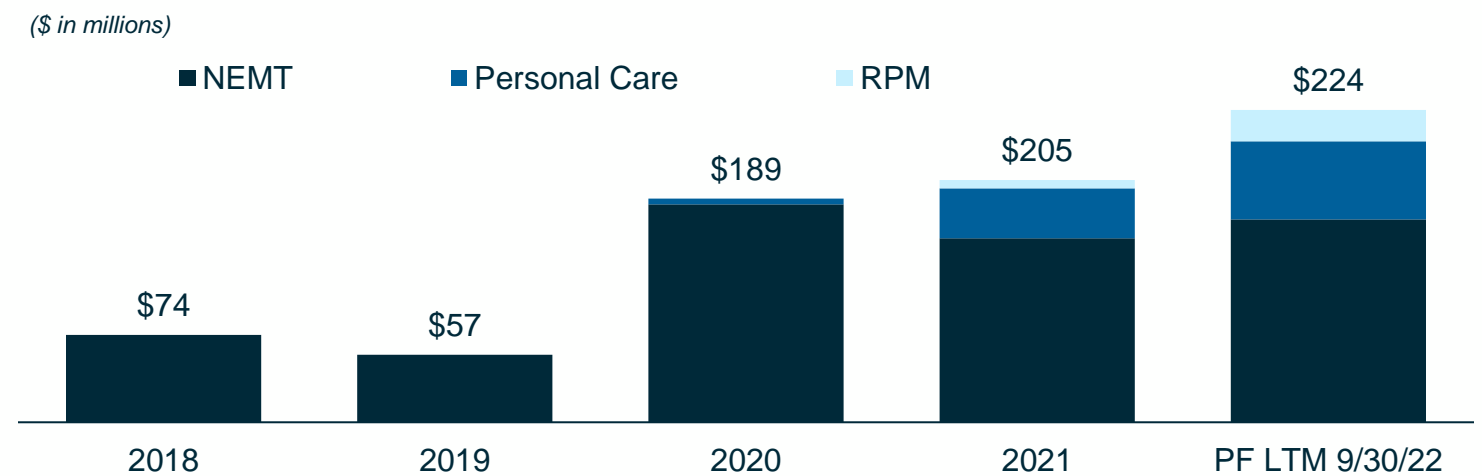
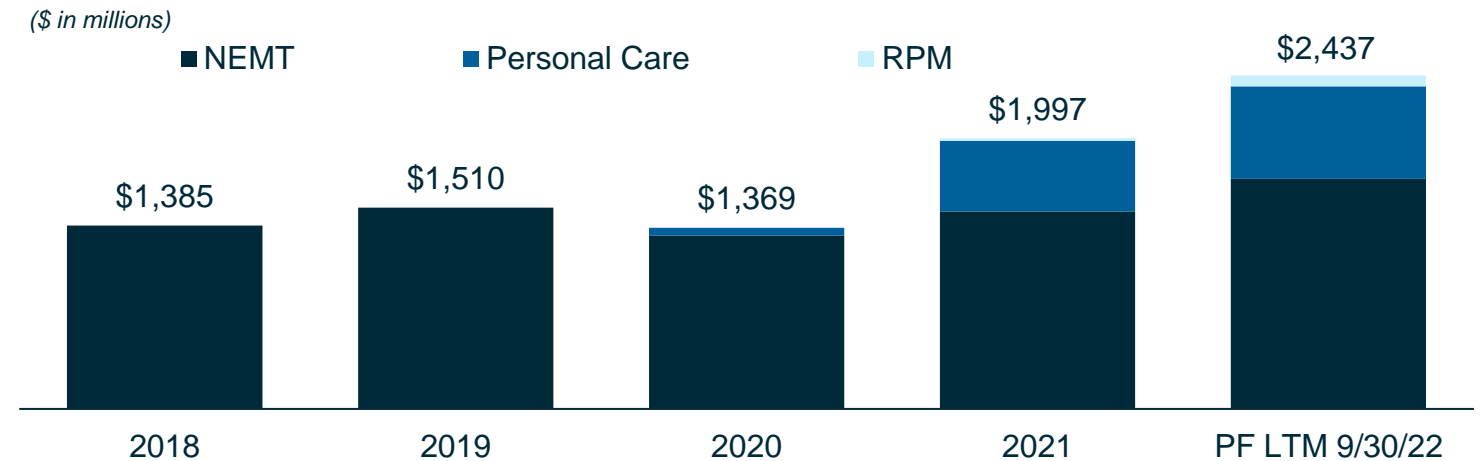
PF Revenue Mix <sup>(1)</sup>



PF Adj. EBITDA Mix <sup>(1)</sup>



## Historical Performance

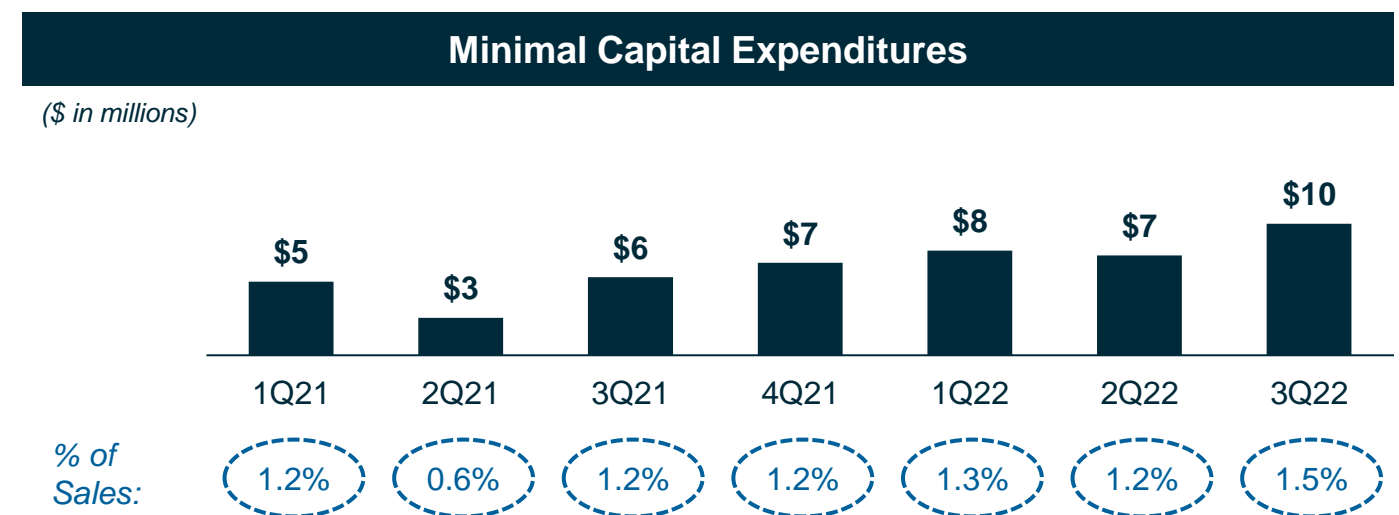
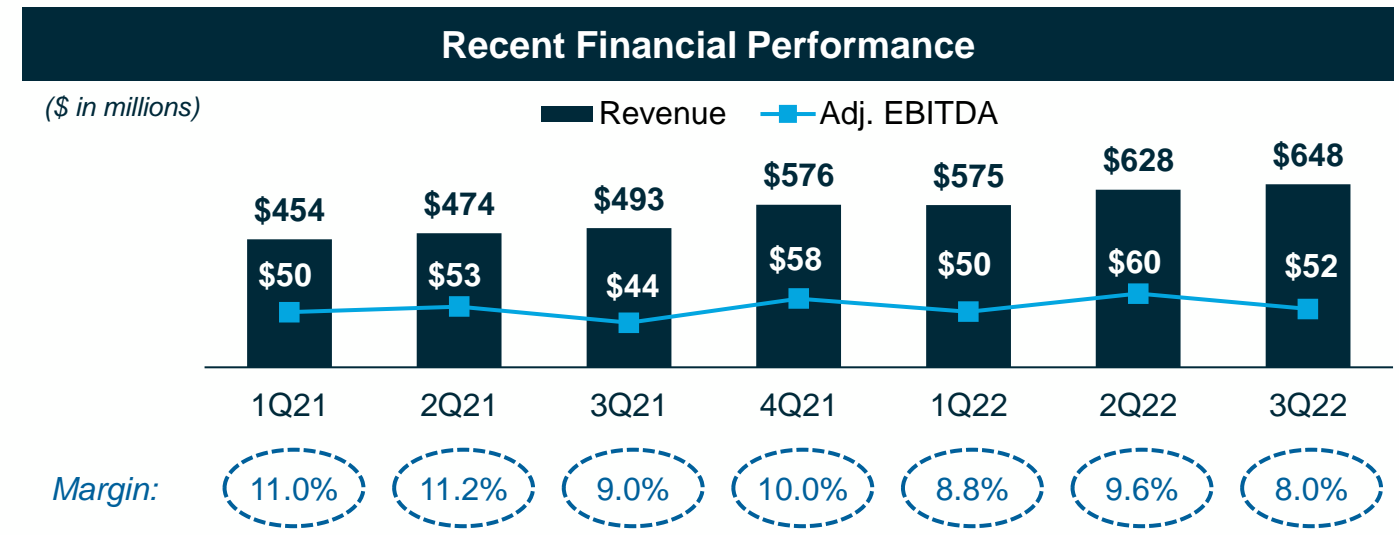


Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation  
 (1) Represents mix of pro forma revenue and Adjusted EBITDA excluding the Corporate segment for LTM 9/30. Totals may not sum due to rounding



# Attractive Financial and Growth Profile

- Modivcare has generated consistent operating growth and margins on a quarterly basis
- Revenue and adj. EBITDA growth over the last several quarters, including the COVID-19 pandemic period, demonstrating resilience of the business
- Stable revenue base characterized by strong client retention rates over the last several years, underscoring the stickiness of Modivcare’s solutions
- Asset-light business model with minimal capital needs



Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation

# Year To Date 2022 Financial Review

## Revenue

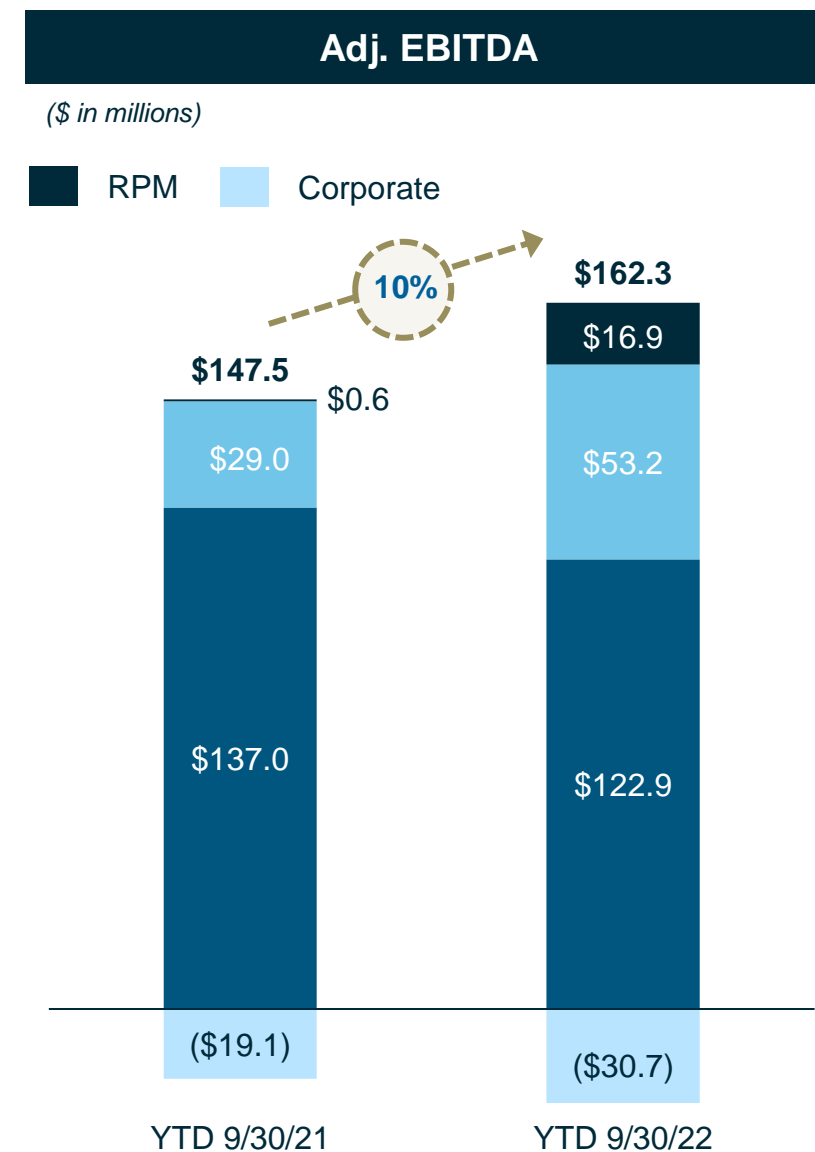
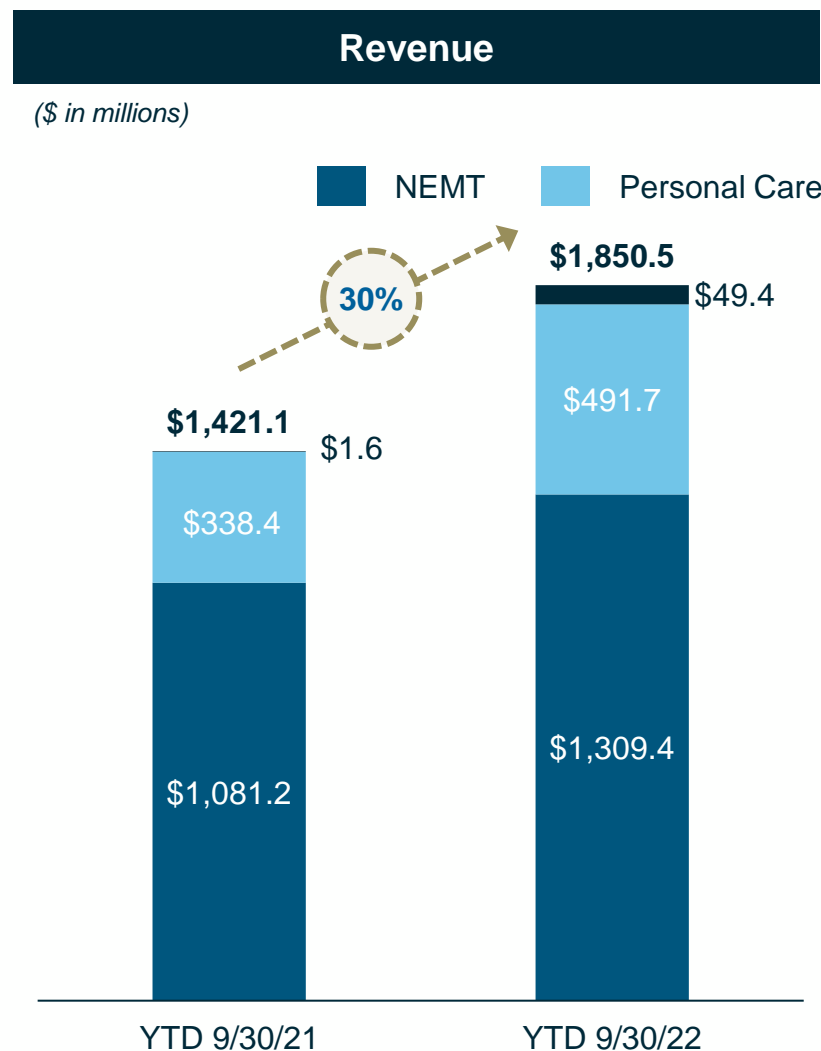
- Revenue growth in the Personal Care and RPM segments through the acquisitions of CareFinders and VRI
- NEMT revenue increased due to higher trip volume, as well as favorable contract pricing

## Adjusted EBITDA

- Adjusted EBITDA increased due to the acquisitions of CareFinders and VRI in Q3 2021
- The increase in Adjusted EBITDA was partly offset by the impact from higher NEMT expenses due to more normalized trip volumes and higher costs per trip

## Notable Events

- Completed a segment reorganization in 2022 resulting in the addition of a Corporate segment that includes the costs associated with the Company's corporate operations



Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation  
Financial results represent actual reported results for Q1-Q3 2021 and Q1-Q3 2022

# Consolidated Outlook

(\$ in millions)

Metric	2022 Outlook			
	Updated Guidance		Prior Guidance <sup>(1)</sup>	
	Low	High	Low	High
Consolidated Revenue	\$2,450	\$2,475	\$2,375	\$2,400
Adjusted EBITDA	\$210	\$220	\$210	\$220
<i>Adjusted EBITDA Margin</i>	<i>8.6%</i>	<i>8.9%</i>	<i>8.8%</i>	<i>9.2%</i>

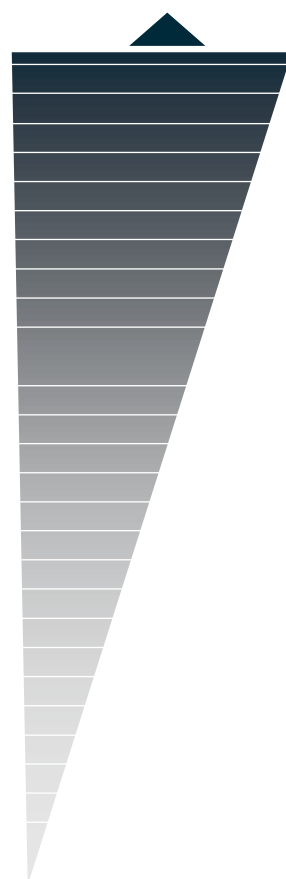
*Strong operating results expected in 2022*

(1) Prior Guidance was previously issued on August 4, 2022  
 Note: 2022 Guidance includes the impact of the Guardian Medical Monitoring acquisition, which closed on May 11, 2022, for the period of Modivcare ownership

# Capital Allocation and Balance Sheet

Modivcare has deployed **\$1.3 billion in M&A since 2020** to expand into the Home through its PCS and RPM acquisitions

Higher Return



## Capital Allocation Options

- **Organic Growth**  
*Funded with internal cash flow*
- **Tuck-In M&A**  
*Funded with internal cash flow*
- **Strategic M&A**  
*Drives material shift into Home*
- **Share Repurchases**  
*Executed opportunistically with cash*
- **Debt Repayment**  
*High priority in order to enable higher return options*

Lower Return

## Balance Sheet

(\$ in millions)	9/30/2022	Leverage Metrics <sup>(1)</sup>
Cash & Cash Equivalents	\$73	
Revolving Credit Facility due 2027 (\$325)	-	
5.875% Senior Unsecured Notes due 2025	500	
5.000% Senior Unsecured Notes due 2029	500	
<b>Total Debt</b>	<b>\$1,000</b>	<b>4.4x</b>
<b>Net Debt</b>	<b>\$927</b>	<b>4.0x</b>

**Strong cash flow expected to drive de-leveraging to 3x target**

Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation

(1) Leverage based on Consolidated Pro Forma Adj. EBITDA of \$224.0 million plus synergies of \$5.2 million

# Appendix



modivcare

# NEMT | Business Model

Metric	Driver	Notes	2021 Actual
Revenue	<p>Monthly Members</p> <p><b>X</b></p> <p>Revenue Per Member Per Month</p>	<p><i>PMPM driven by pricing/mix changes and ~55% flow-through of % change in Transportation Costs per member</i></p>	<p><b>\$1,484</b></p> <p>29.9M Members \$4.14 PMPM</p>
Transportation Costs (Purchased Services)	<p>Trips (Utilization x Members)</p> <p><b>X</b></p> <p>Purchased Services Cost Per Trip</p>	<p><i>Cost Per Trip driven by mix of trips by level of service, length of trip, and base cost per mile or per trip</i></p>	<p><b>66.8%</b></p> <p>7.6% Utilization \$36.34 Cost / Trip</p>
Other Service Expense	<p>Fixed and Variable Cost</p>	<p><i>Primarily includes operational payroll and costs relating to contact center operations and facilities</i></p>	<p><b>13.1%</b></p>
Gross Profit			<p><b>20.1%</b></p>
Adj. G&A Expense	<p>Primarily Fixed Cost</p>	<p><i>Primarily includes segment administrative support, technology, occupancy, and marketing</i></p>	<p><b>7.6%</b></p>
Adjusted EBITDA			<p><b>\$186</b></p> <p>12.5% Margin</p>

Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation

Copyright © 2022 Modivcare® Inc.

# PCS | Business Model

Metric	Driver	Notes	2021 Pro Forma <sup>(1)</sup>
Revenue	Hours X Reimbursement Per Hour	Hours driven by new patient referrals and recruitment of caregivers  Rates established by States and Payors subject to legislative, budgetary and other risks	<b>\$638</b>  28.0M Hours ~\$22.75 Revenue/Hour
Direct Labor Expense (Service Expense)	Hours X Wages Per Hour	Caregiver wages typically track closely with reimbursement rate, as well as minimum wage increases	~\$17.75 Direct Labor/Hour
Gross Profit			
Adj. G&A Expense	Primarily Fixed Cost	Primarily includes segment administrative support, technology costs, occupancy costs, and marketing	
Adjusted EBITDA			<b>\$57</b> 8.9% Margin

Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation

(1) Reflects results of operations for Modivcare's Personal Care segment pro forma for the acquisition of CareFinders Total Care, which closed on September 14, 2021, presented on a pro forma basis as if the acquisition had occurred on January 1, 2021.

Copyright © 2022 Modivcare® Inc.

# RPM | Business Model and Outlook

Metric	Driver	Notes	2021 Pro Forma <sup>(1)</sup>
Revenue	Clients <b>X</b> Contracted Rate	<i>Clients driven by existing market growth, new contracts, and cross-selling initiatives, partly offset by normal churn</i> <i>Contracted rates established by States and Payors</i>	<b>\$78</b> ~218K Avg. Monthly Clients ~\$30/Mo Revenue/Client
Service Expense	Primarily Variable Cost	<i>Primarily includes segment cost of equipment and services sold, operational payroll, and equipment shipping and repairs</i>	<b>34%</b>
Gross Profit			<b>66%</b>
Adj. G&A Expense	Primarily Fixed Cost	<i>Primarily includes segment administrative support, technology costs, occupancy costs, and marketing</i>	<b>28%</b>
Adjusted EBITDA			<b>\$30</b> 38% Margin

Note: See Appendix for presentation of Non-GAAP to GAAP reconciliation

(1) Reflects results of operations for Modivcare's acquisitions of VRI, which closed on September 22, 2021, and Guardian Medical Monitoring, which closed on May 11, 2022, presented on a pro forma basis as if the acquisitions had occurred on January 1, 2021

Copyright © 2022 Modivcare® Inc.



# Non-GAAP Reconciliation

## Reconciliation of Adjusted EBITDA of Modivcare

(dollars in thousands)

	FY 2018	FY 2019	3Q20	4Q20	FY 2020	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22	2Q22	3Q22	LTM 9/30
Net income	\$18,228	(\$4,953)	\$38,920	(\$2,905)	\$89,614	\$18,840	\$13,672	(\$7,572)	(\$31,525)	(\$6,585)	\$318	\$3,328	(\$28,505)	(\$56,384)
Provision (benefit) for income taxes	4,684	(573)	11,960	5,626	22,356	4,739	5,671	(2,001)	208	8,617	(361)	2,291	(1,053)	1,085
Interest expense, net	1,783	850	379	15,481	17,599	8,423	8,287	17,702	14,669	49,081	15,400	15,472	15,557	61,098
Depreciation and amortization	15,813	16,816	7,301	8,984	26,183	12,239	11,820	12,608	20,331	56,998	23,946	24,758	25,672	94,707
<b>Reported EBITDA</b>	<b>\$40,508</b>	<b>\$12,140</b>	<b>\$58,560</b>	<b>\$27,186</b>	<b>\$155,752</b>	<b>\$44,241</b>	<b>\$39,450</b>	<b>\$20,737</b>	<b>\$3,683</b>	<b>\$108,111</b>	<b>\$39,303</b>	<b>\$45,849</b>	<b>\$11,671</b>	<b>\$100,506</b>
1 Stock-based compensation	8,993	5,414	1,139	929	3,776	1,149	1,416	1,218	1,010	4,793	1,466	2,670	1	5,147
2 Cash settled equity	-	-	2,894	9,180	16,071	2,093	4,452	2,600	20	9,165	(13)	20	82	109
3 Equity in net (gain) loss of investees	6,158	29,685	(7,925)	2,734	(6,411)	(3,241)	(180)	4,845	36,826	38,250	(483)	2,055	26,448	64,846
4 Restructuring and related charges	11,546	6,691	969	2,901	6,179	3,700	4,601	3,238	10,054	21,593	5,840	5,206	2,088	23,188
5 Transaction costs	7,231	2,693	3,579	7,919	12,619	3,678	3,466	11,292	7,152	25,588	3,711	7,702	10,899	29,464
6 COVID-19 related costs	-	-	118	855	1,204	(1,513)	(134)	394	(1,239)	(2,492)	471	(3,344)	608	(3,504)
<b>Total adjustments</b>	<b>33,928</b>	<b>44,483</b>	<b>774</b>	<b>24,518</b>	<b>33,438</b>	<b>5,866</b>	<b>13,621</b>	<b>23,587</b>	<b>53,823</b>	<b>96,897</b>	<b>10,992</b>	<b>14,309</b>	<b>40,126</b>	<b>119,250</b>
<b>Adj. EBITDA</b>	<b>\$74,436</b>	<b>\$56,623</b>	<b>\$59,334</b>	<b>\$51,704</b>	<b>\$189,190</b>	<b>\$50,107</b>	<b>\$53,071</b>	<b>\$44,324</b>	<b>\$57,506</b>	<b>\$205,008</b>	<b>\$50,295</b>	<b>\$60,158</b>	<b>\$51,797</b>	<b>\$219,756</b>

# Selected Pro Forma Information – LTM 9/30/22

## Pro Forma Consolidated Revenue

	Twelve Months Ended Sep 30,
(dollars in thousands)	<u>2022</u>
Consolidated Reported Revenue	\$2,426,247
GMM Reported Revenue (Pre-Acquisition)	10,892
<b>Consolidated Pro Forma Revenue</b>	<b><u>\$2,437,139</u></b>

## Pro Forma Consolidated Adj. EBITDA

	Twelve Months Ended Sep 30,
(dollars in thousands)	<u>2022</u>
Consolidated Adj. EBITDA	\$219,756
Pre-acquisition Adj. EBITDA (GMM)	4,210
<b>Consolidated Pro Forma Adj. EBITDA</b>	<b><u>\$223,966</u></b>

*Note: Represents Modivcare consolidated performance pro forma for Guardian Medical Monitoring financial performance prior to acquisition*

## Pro Forma Remote Patient Monitoring Segment Revenue

	Twelve Months Ended Sep 30,
(dollars in thousands)	<u>2022</u>
Modivcare Remote Patient Monitoring Revenue	\$65,415
GMM Revenue (Pre-Acquisition)	10,892
<b>Remote Patient Monitoring Pro Forma Revenue</b>	<b><u>\$76,307</u></b>

## Pro Forma Remote Patient Monitoring Segment Adj. EBITDA

	Twelve Months Ended Sep 30,
(dollars in thousands)	<u>2022</u>
Modivcare Remote Patient Monitoring EBITDA	\$19,598
Restructuring and Related Charges	63
Transaction Costs	2,753
Stock-Based Compensation	86
Modivcare Remote Patient Monitoring Adj. EBITDA	22,500
GMM Adj. EBITDA (Pre-Acquisition)	4,210
<b>Remote Patient Monitoring Pro Forma Adj. EBITDA</b>	<b><u>\$26,710</u></b>

*Note: Represents Guardian Medical Monitoring standalone performance based on Quality of Earnings report prior to acquisition by Modivcare, which closed on May 11, 2022*

# Selected Pro Forma Information - FY2021

## Pro Forma Consolidated Revenue

	Twelve Months Ended Dec 31, 2021
(dollars in thousands)	
Consolidated Reported Revenue	\$1,996,892
CareFinders Reported Revenue (Pre-Acquisition)	138,435
CareFinders Acquired Revenue (Pre-Acquisition)	4,028
VRI Reported Revenue (Pre-Acquisition)	43,314
<b>Consolidated Pro Forma Revenue</b>	<b>\$2,182,670</b>

## Pro Forma Consolidated Adj. EBITDA

	Twelve Months Ended Dec 31, 2021
(dollars in thousands)	
Consolidated Reported Adj. EBITDA	\$205,008
Pre-acquisition Adj. EBITDA (CareFinders)	15,164
Pre-acquisition Adj. EBITDA (VRI)	16,284
<b>Consolidated Pro Forma Adj. EBITDA</b>	<b>\$236,456</b>

*Note: Represents Modivcare consolidated performance pro forma for CareFinders and VRI financial performance prior to acquisition*

## Pro Forma Personal Care Segment Revenue

	Twelve Months Ended Dec 31, 2021
(dollars in thousands)	
Modivcare Personal Care Revenue	\$495,579
CareFinders Reported Revenue (Pre-Acquisition)	138,435
CareFinders Acquired Revenue (Pre-Acquisition)	4,028
<b>Personal Care Pro Forma Revenue</b>	<b>\$638,042</b>

## Pro Forma Personal Care Segment Adj. EBITDA

	Twelve Months Ended Dec 31, 2021
(dollars in thousands)	
Modivcare Personal Care EBITDA	\$37,808
Restructuring and related charges	\$304
Transaction costs	\$6,930
Stock-based compensation	18
COVID-19 related costs, net of grant income	(3,211)
Modivcare Personal Care Adj. EBITDA	41,849
CareFinders Adj. EBITDA (Pre-Acquisition)	15,164
<b>Personal Care Pro Forma Adj. EBITDA</b>	<b>\$57,013</b>

*Note: Represents CareFinders standalone performance based on Quality of Earnings report prior to acquisition by Modivcare which closed on September 14, 2021*

## Pro Forma Remote Patient Monitoring Segment Revenue

	Twelve Months Ended Dec 31, 2021
(dollars in thousands)	
Modivcare Remote Patient Monitoring Revenue	\$17,617
VRI Revenue (Pre-Acquisition)	43,314
<b>Pro Forma VRI Revenue</b>	<b>\$60,931</b>
GMM Revenue (Pre-Acquisition)	17,498
<b>Remote Patient Monitoring Pro Forma Revenue</b>	<b>\$78,429</b>

## Pro Forma Remote Patient Monitoring Segment Adj. EBITDA

	Twelve Months Ended Dec 31, 2021
(dollars in thousands)	
Modivcare Remote Patient Monitoring EBITDA	\$6,221
Transaction Costs	721
Modivcare Remote Patient Monitoring Adj. EBITDA	6,942
VRI Adj. EBITDA (Pre-Acquisition)	16,284
<b>Pro Forma VRI Adj. EBITDA</b>	<b>\$23,226</b>
GMM Adj. EBITDA (Pre-Acquisition)	6,865
<b>Remote Patient Monitoring Pro Forma Adj. EBITDA</b>	<b>\$30,091</b>

*Note: Represents VRI standalone performance based on Quality of Earnings report prior to acquisition by Modivcare which closed on September 22, 2021 and GMM standalone FY2021 performance based on Quality of Earnings*

# Non-GAAP Reconciliation | YTD 9/30/22

	Nine months ended September 30, 2022				
	NEMT	Personal Care	RPM	Corporate <sup>(3)</sup>	Total
Service revenue, net	\$ 1,309,449	\$ 491,661	\$ 49,362	\$ —	\$ 1,850,472
Grant income	—	4,587	—	—	4,587
Operating expenses:					
Service expense	1,100,801	379,423	17,884	—	1,498,108
General and administrative expense	102,736	68,536	17,520	43,316	232,108
Depreciation and amortization	21,576	37,976	14,201	623	74,376
Total operating expenses	1,225,113	485,935	49,605	43,939	1,804,592
Operating income (loss)	84,336	10,313	(243)	(43,939)	50,467
Interest expense, net	—	—	—	46,429	46,429
Income (loss) before income taxes and equity method investment	84,336	10,313	(243)	(90,368)	4,038
Provision (benefit) for income taxes	23,116	2,902	(68)	(25,073)	877
Equity in net loss (income) of investee, net of tax	(143)	—	—	28,163	28,020
<b>Net income (loss)</b>	<b>61,363</b>	<b>7,411</b>	<b>(175)</b>	<b>(93,458)</b>	<b>(24,859)</b>
Interest expense, net	—	—	—	46,429	46,429
Provision (benefit) for income taxes	23,116	2,902	(68)	(25,073)	877
Depreciation and amortization	21,576	37,976	14,201	623	74,376
<b>EBITDA</b>	<b>106,055</b>	<b>48,289</b>	<b>13,958</b>	<b>(71,479)</b>	<b>96,823</b>
Restructuring and related charges <sup>(1)</sup>	11,359	763	63	950	13,135
Transaction costs <sup>(2)</sup>	5,506	6,334	2,753	7,719	22,312
Cash settled equity	—	—	—	89	89
Stock-based compensation	—	190	86	3,861	4,137
COVID-19 related costs, net of grant income	105	(2,370)	—	—	(2,265)
Equity in net loss (income) of investee, net of tax	(143)	—	—	28,163	28,020
<b>Adjusted EBITDA</b>	<b>\$ 122,882</b>	<b>\$ 53,206</b>	<b>\$ 16,860</b>	<b>\$ (30,697)</b>	<b>\$ 162,251</b>

## Notes to Reconciliation of Adjusted EBITDA

- Restructuring and related charges include professional services costs and severance and recruiting costs.
- Transaction costs include SOX integration efforts at recently acquired subsidiaries and acquisition costs.
- Effective January 1, 2022, the Company completed its segment reorganization which resulted in the addition of a Corporate segment that includes the costs associated with the Company's corporate operations. Through this reorganization, it was also determined that the Matrix Investment is no longer a reportable segment, and is now reported within the Corporate segment. Prior period segment amounts have been reclassified to conform to the current presentation.

# Non-GAAP Reconciliation | YTD 9/30/21

	Nine months ended September 30, 2021				
	NEMT	Personal Care	RPM	Corporate <sup>(3)</sup>	Total
Service revenue, net	\$ 1,081,168	\$ 338,385	\$ 1,564	\$ —	\$ 1,421,117
Grant income	—	3,500	—	—	3,500
Operating expenses:					
Service expense	869,470	268,933	767	—	1,139,170
General and administrative expense	85,961	45,606	216	47,812	179,595
Depreciation and amortization	21,744	14,723	200	—	36,667
Total operating expenses	977,175	329,262	1,183	47,812	1,355,432
Operating income (loss)	103,993	12,623	381	(47,812)	69,185
Interest expense, net	—	—	—	34,412	34,412
Income (loss) before income taxes and equity method investment	103,993	12,623	381	(82,224)	34,773
Provision (benefit) for income taxes	26,379	3,194	106	(21,270)	8,409
Equity in net income of investee, net of tax	—	—	—	1,424	1,424
<b>Net Income (loss)</b>	<b>77,614</b>	<b>9,429</b>	<b>275</b>	<b>(62,378)</b>	<b>24,940</b>
Interest expense, net	—	—	—	34,412	34,412
Provision (benefit) for income taxes	26,379	3,194	106	(21,270)	8,409
Depreciation and amortization	21,744	14,723	200	—	36,667
<b>EBITDA</b>	<b>125,737</b>	<b>27,346</b>	<b>581</b>	<b>(49,236)</b>	<b>104,428</b>
Restructuring and related charges <sup>(1)</sup>	10,059	—	—	1,480	11,539
Transaction costs <sup>(2)</sup>	586	3,467	—	14,383	18,436
Cash settled equity	—	—	—	9,145	9,145
Stock-based compensation	—	76	—	3,707	3,783
COVID-19 related costs, net of grant income	618	(1,871)	—	—	(1,253)
Equity in net income of investee, net of tax	—	—	—	1,424	1,424
<b>Adjusted EBITDA</b>	<b>\$ 137,000</b>	<b>\$ 29,018</b>	<b>\$ 581</b>	<b>\$ (19,097)</b>	<b>\$ 147,502</b>

## Notes to Reconciliation of Adjusted EBITDA

- Restructuring and related charges include professional services costs and severance and recruiting costs.
- Transaction costs include Circulation management incentive plan ("MIP") costs and certain transaction-related expenses.
- Effective January 1, 2022, the Company completed its segment reorganization which resulted in the addition of a Corporate segment that includes the costs associated with the Company's corporate operations. Through this reorganization, it was also determined that the Matrix Investment is no longer a reportable segment, and is now reported within the Corporate segment. Prior period segment amounts have been reclassified to conform to the current presentation.

# Non-GAAP Reconciliation – NEMT and Matrix

ModivCare, Inc. NEMT Segment	
Reconciliation of Non-GAAP Financial Measures	
	Twelve Months Ended Dec 31,
	2021
(dollars in thousands)	
Net income	\$105,641
Provision (benefit) for income taxes	30,319
Interest expense, net	-
Depreciation and amortization	29,058
<b>NEMT Reported EBITDA</b>	<b>\$165,018</b>
Restructuring and related charges	19,609
Transaction costs	567
COVID-19 related costs	719
<b>Total adjustments</b>	<b>20,895</b>
<b>NEMT Adj. EBITDA</b>	<b>\$185,913</b>

## Unaudited Reconciliation of Non-GAAP Financial Measures Adjusted EBITDA: Matrix Medical Network <sup>(1)</sup>

(in thousands)

	Twelve Months Ended December 31,	
	2021	2020
Revenue	\$ 398,260	\$ 414,622
Operating expense	365,674	327,616
Depreciation and amortization	31,270	47,594
Operating income (loss)	1,316	39,412
Other expense (income)		
Goodwill impairment	111,358	—
Interest expense	16,776	19,790
Provision (benefit) for income taxes	(3,920)	4,484
<b>Net income (loss)</b>	<b>(122,898)</b>	<b>15,138</b>
Depreciation and amortization	31,270	47,594
Interest expense	16,776	19,790
Provision (benefit) for income taxes	(3,920)	4,484
<b>EBITDA</b>	<b>(78,772)</b>	<b>87,006</b>
Asset impairment	111,358	—
Management fees	2,787	4,893
Restructuring expense	20,657	8,540
Integration costs	169	67
Severance costs	1,529	1,255
COVID-19 related costs	1,301	8,464
Transaction costs	8,464	3,034
<b>Adjusted EBITDA</b>	<b>\$ 67,493</b>	<b>\$ 113,259</b>

(1) Modivcare accounts for its proportionate share of Matrix's results using the equity method. Matrix's Adjusted EBITDA is not included within Modivcare's Adjusted EBITDA in any period presented