



agilon health

May 2022



Disclaimers and Forward-Looking Statements

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

Statements in this release that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among other things, statements regarding our and our officers’ intent, belief or expectation as identified by the use of words such as “may,” “will,” “project,” “expect,” “believe,” “intend,” “anticipate,” “seek,” “target,” “forecast,” “plan,” “potential,” “estimate,” “could,” “would,” “should,” and other comparable and derivative terms or the negatives thereof. Examples of forward-looking statements include, among other things: (i) statements regarding timing, outcomes and other details relating to current, pending or contemplated new markets, new partnership structures, financing activities, dispositions, or other transactions discussed in this release; and (ii) statements regarding growth opportunities, ability to deliver sustainable long-term value, business environment, long term opportunities and strategic growth plan including without limitation with respect to expected revenue and net income, total and average membership, Adjusted EBITDA, and other financial projections and assumptions, as well as comparable statements included in other sections of this release. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could significantly affect our future financial condition and results of operations. While forward-looking statements reflect our good faith belief and assumptions we believe to be reasonable based upon current information, we can give no assurance that our expectations or forecasts will be attained. Further, we cannot guarantee the accuracy of any such forward-looking statement contained in this release, and such forward-looking statements are subject to known and unknown risks and uncertainties that are difficult to predict. These risks and uncertainties that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, but are not limited to: our history of net losses, and our ability to achieve or maintain profitability in an environment of increasing expenses; our ability to identify and develop successful new geographies, physician partners and payors, or to execute upon our growth initiatives; our ability to execute our operation strategies or to achieve results consistent with our historical performance; our expectation that our expenses will increase in the future and the risk that medical expenses incurred on behalf of members may exceed the amount of medical revenues we receive; our ability to secure contracts with Medicare Advantage payors or to secure Medicare Advantage payments at favorable financial terms; our ability to recover startup costs incurred during the initial stages of development of our physician partner relationships and program initiatives; significant reductions in our membership; challenges for our physician partners in the transition to a Total Care Model; inaccuracies in the estimates and assumptions we use to project the size, revenue or medical expense amounts of our target markets; the spread of, and response to, the novel coronavirus, or COVID-19, and the inability to predict the ultimate impact on us; security breaches, loss of data or other disruptions to our data platforms; the impact of devoting significant attention and resources to the provision of certain transition services in connection with the disposition of our California operations; our subsidiaries’ lack of performance or ability to fund their operations, which could require us to fund such losses; our dependence on a limited number of key payors; the limited terms of our contracts with payors and that they may not be renewed upon their expiration; our reliance on our payors for membership attribution and assignment, data and reporting accuracy and claims payment; our dependence on physician partners and other providers to effectively manage the quality and cost of care and perform obligations under payor contracts; our dependence on physician partners to accurately, timely and sufficiently document their services and potential False Claims Act or other liability if any diagnosis information or encounter data are inaccurate or incorrect; reductions in reimbursement rates or methodology applied to derive reimbursement from, or discontinuation of, federal government healthcare programs, from which we derive substantially all of our total revenue; statutory or regulatory changes, administrative rulings, interpretations of policy and determinations by intermediaries and governmental funding restrictions, and their impact on government funding, program coverage and reimbursements; regulatory proposals directed at containing or lowering the cost of healthcare and our participation in such proposed models; the impact on our revenue of CMS modifying the methodology used to determine the revenue associated with MA members; the potential that we may incur future indebtedness; and risks related to other factors discussed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021. Except as required by law, we do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, which speak only as of the date on which they are made.

NON-GAAP

This presentation includes references to non-GAAP financial measures, including but not limited to Adjusted EBITDA and network contribution. Management believes network contribution and Adjusted EBITDA help identify underlying trends in agilon’s business and facilitate evaluation of period-to-period operating performance of agilon’s live geographies by eliminating items that are variable in nature and not considered by the Company in the evaluation of ongoing operating performance, allowing comparison of agilon’s recurring core business operating results over multiple periods. The Company also believes network contribution and Adjusted EBITDA provide useful information about agilon’s operating results, enhance the overall understanding of past performance and future prospects, and allow for greater transparency with respect to key metrics used for financial and operational decision-making. Management believes network contribution and Adjusted EBITDA or similarly titled non-GAAP measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in agilon’s industry as a measure of financial performance. Other companies may calculate network contribution and Adjusted EBITDA or similarly-titled non-GAAP measures differently from the way the Company calculates these metrics. As a result, the Company’s presentation of network contribution and Adjusted EBITDA may not be comparable to similarly titled measures of other companies, limiting their usefulness as comparative measures. Adjusted EBITDA and network contribution have limitations as analytical tools and should not be considered in isolation or as an alternative to GAAP measures or other financial statement data presented in agilon’s consolidated financial statements. Reconciliation of such non-GAAP measures to the applicable GAAP measures are set forth in the appendix.

TRADEMARKS

All rights to the trademarks included herein, other than the Company’s trademarks, belong to their respective owners and our use hereof does not imply any endorsement by the owners of these trademarks.

Trusted Partner Empowering Physicians



agilon health Partners with Leading Physician Groups, Transforming Their Medicare Business to a Value-Based, Total Care Model

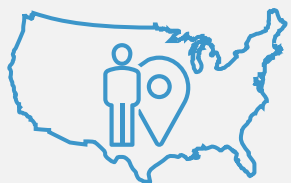


~500,000

Risk Members on Platform



1,600+ Partner Primary Care Physicians (2,200+ Total PCPs)



23 Partner Groups

12 States

25 Geographies



Diverse Partners

Groups: Primary Care, Multi-Specialty, Scaled Networks, Health Systems

Markets: <100K to >2M in Population

Note: Metrics reflect management's expectation for 2023, including new partner groups currently under implementation.

Investment Highlights



**Large, Growing
Addressable Market**



**First Mover
Advantage**



**Long-Term Alignment with
Local Physician Leaders**



**Unlocking Diverse &
Non-Traditional Geographies**



**Physicians Are
Winning**



**Capital Light,
High Visibility Model**

Healthcare Challenges Require a Scaled Solution

Structural Factors Accelerating Demand for Value



Senior
Population
is Growing

62M → 78M

Medicare population
is increasing (2020–2030)

39% → 55%

MA penetration
is increasing (2020–2030)



PCP
Capacity is
Strained

~200,000

Number of **Primary Care
Physicians** in 2020

~10–20%

Projected **shortage in primary
care capacity** by 2030



Increasing
Focus
on Value

**Massive
Variations**

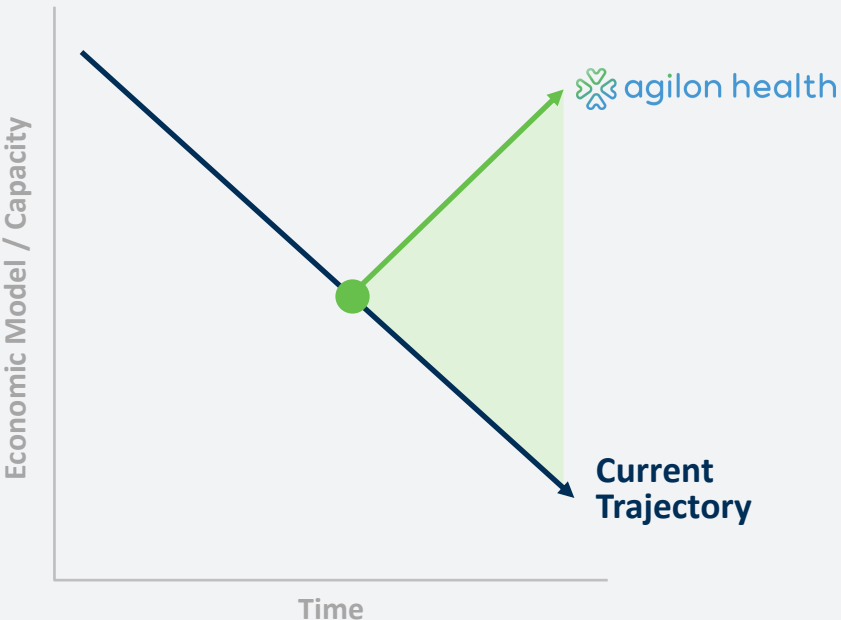
Minorities and low-income
beneficiaries report **worse
health outcomes**

100%

Of Medicare beneficiaries to
be treated by a provider in
value-based care model by 2030*

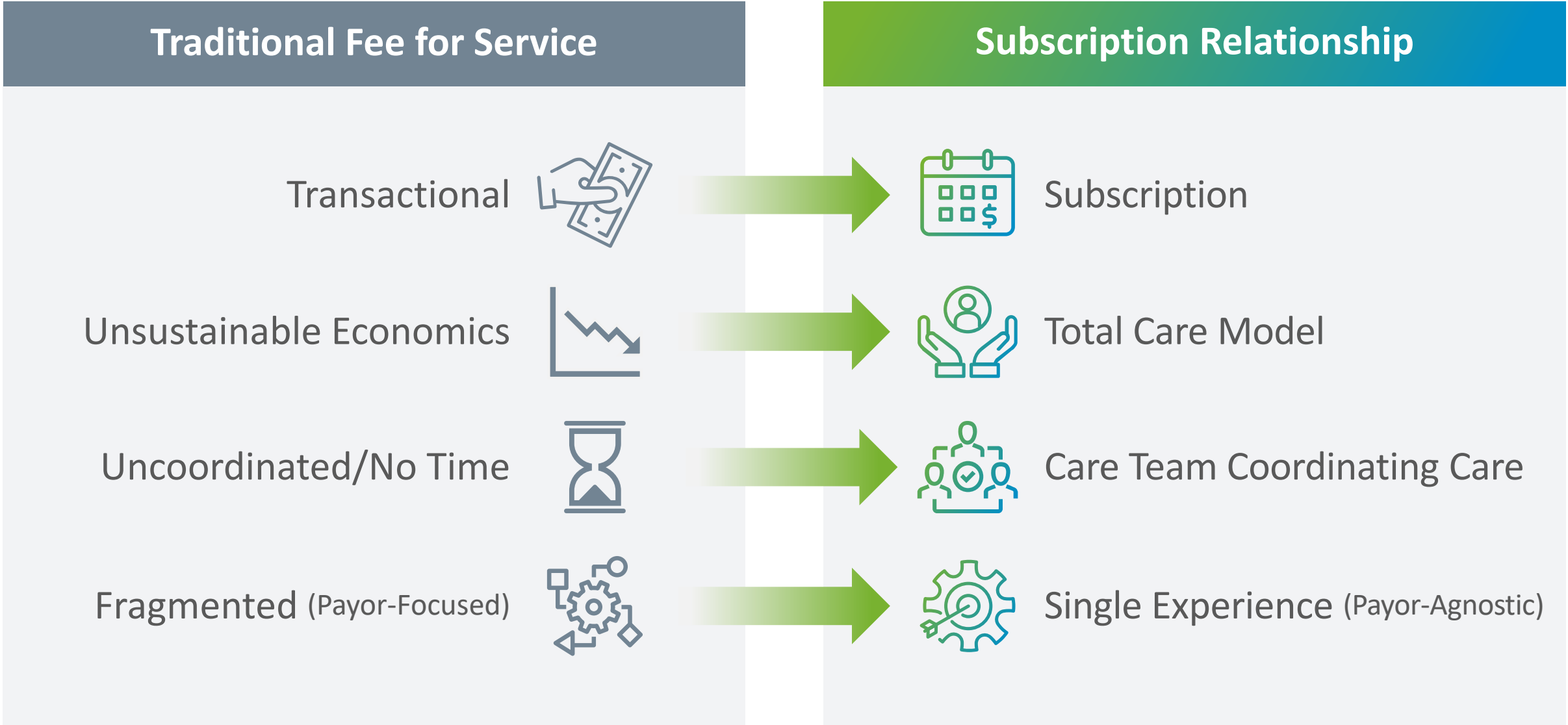
PCPs Are the Key to Unlocking Value for Seniors...

...But Don't Have the Business
Model to Support It



*CMS expectation

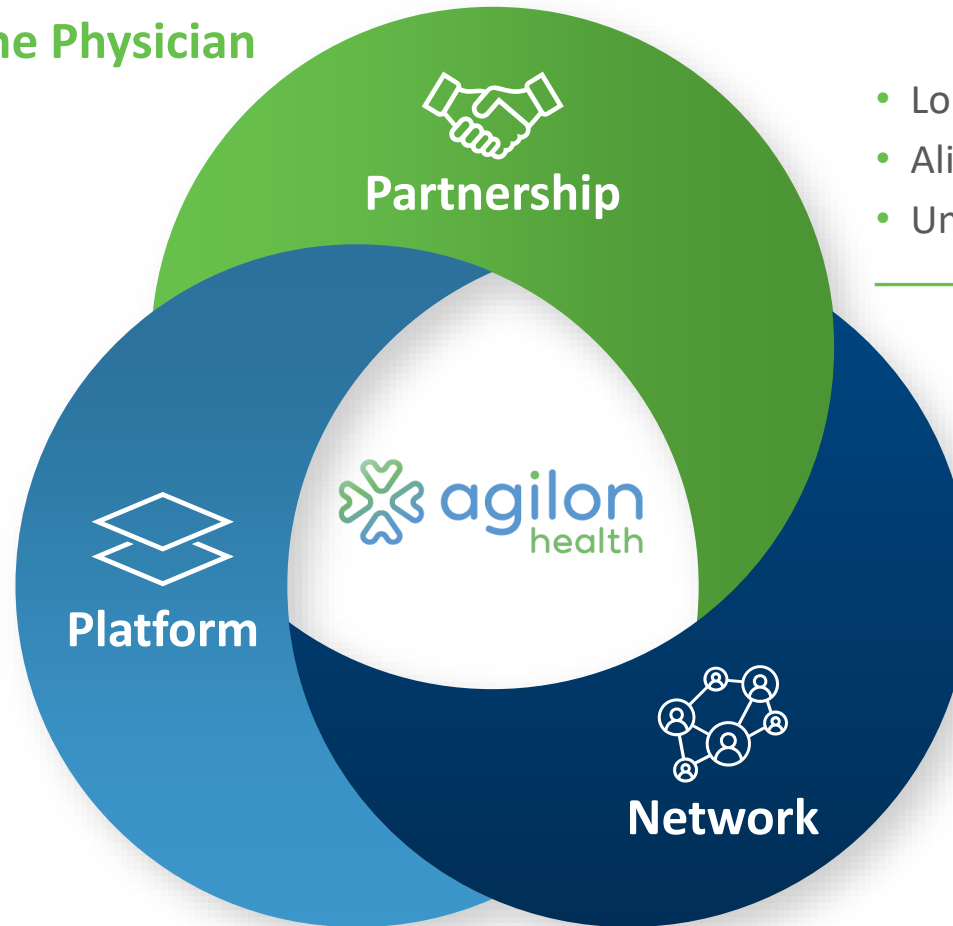
Primary Care Physicians Need a New Business Model



agilon Total Care Model

Move Everything Closer to the Physician

- Purpose-built for Medicare
- Built by physicians for physicians
- End-to-end capabilities: Technology, People, Process, Capital



- Long-term, 20-Year Joint Venture
- Aligns physician economics with outcomes
- Unique proximity to primary care physicians

- Like-minded entrepreneurial physicians
- Share best practices to drive innovation

Create a Single and Purposeful
Senior Experience

Reframe Processes Around Aligned
Physician Relationship

Align Through Powerful Physician
Governance to **Drive Outcomes**

Strategic Choices → Clear Advantages

Our Strategic Choices



Partnership with existing, scaled physician organizations

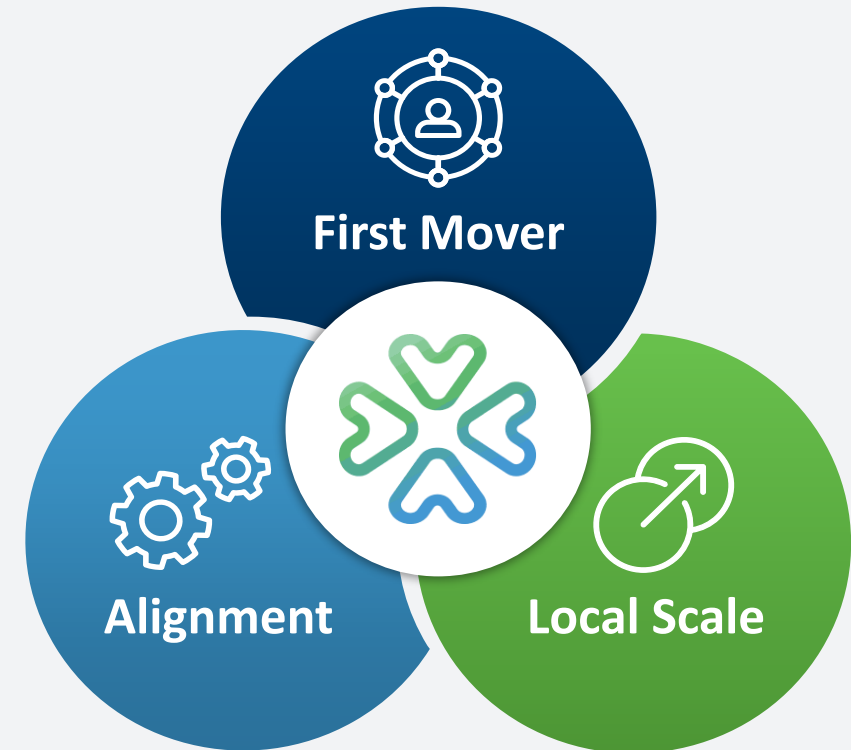


Target non-traditional geographies

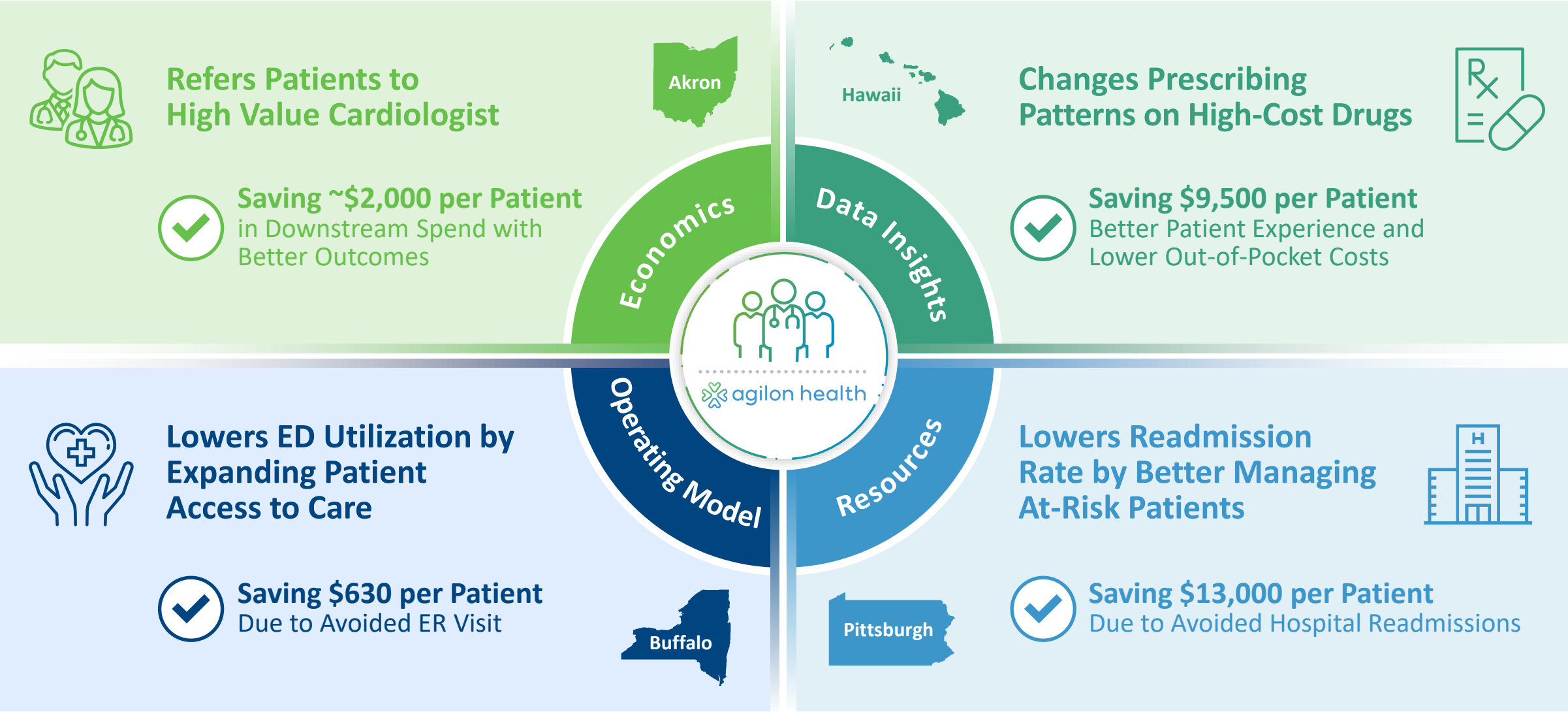


Develop purpose-built solution

Partnership Advantages



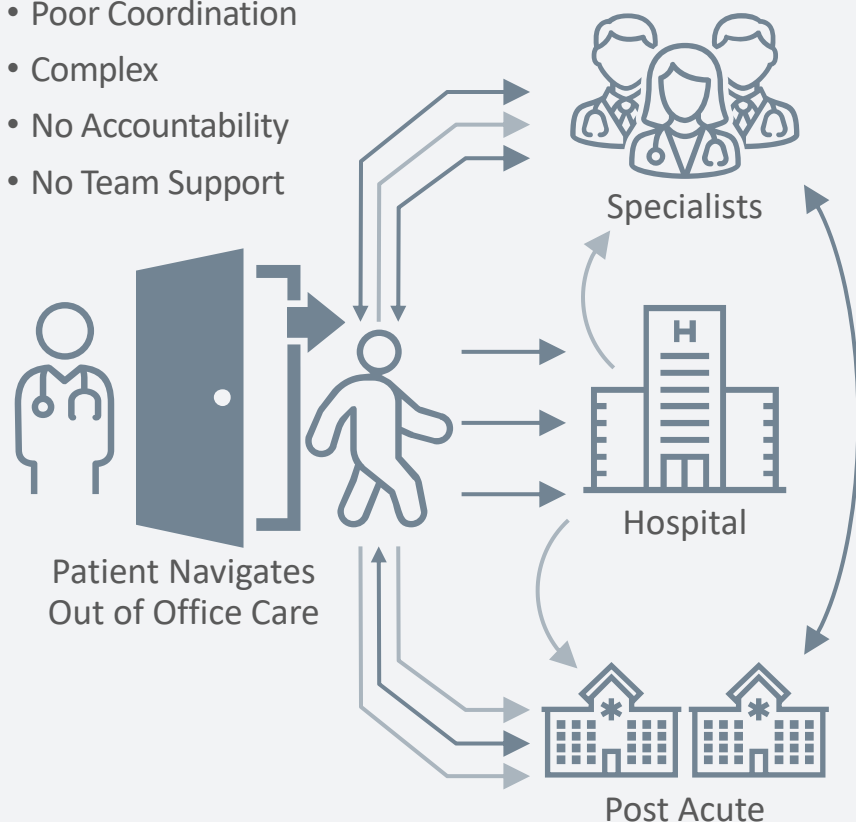
Aligned Physician Partner in Value Drives Better Outcomes



Scaled PCPs Aligned in Value Change Care Delivery

Status Quo

- Limited Data Visibility
- Poor Coordination
- Complex
- No Accountability
- No Team Support








Improving Care Delivery and Access

- High Data Visibility & Actionable Insights
- Highly Coordinated Care Team
- High Efficiency
- PCP & Patient Accountability
- Clinical & Community Programs

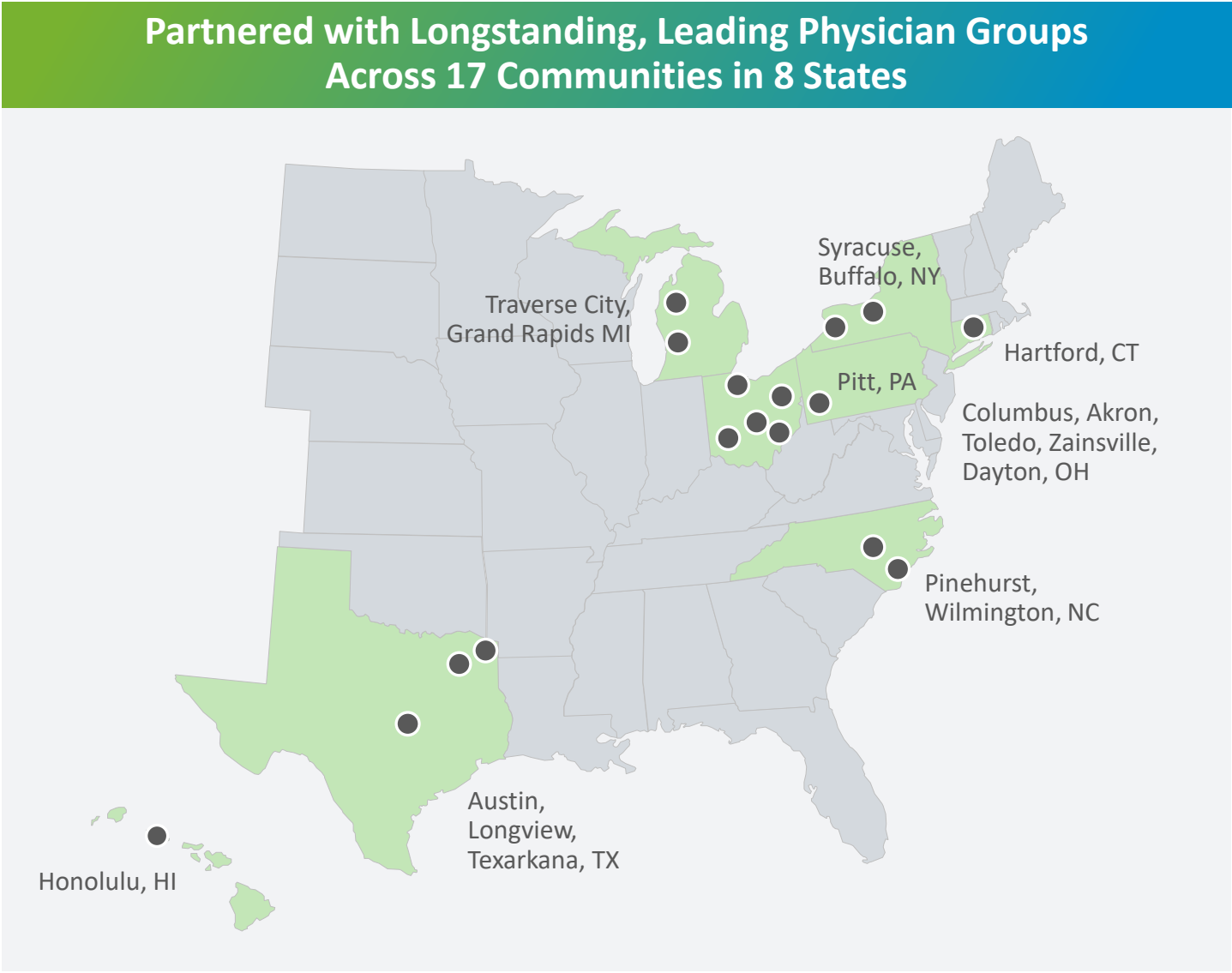
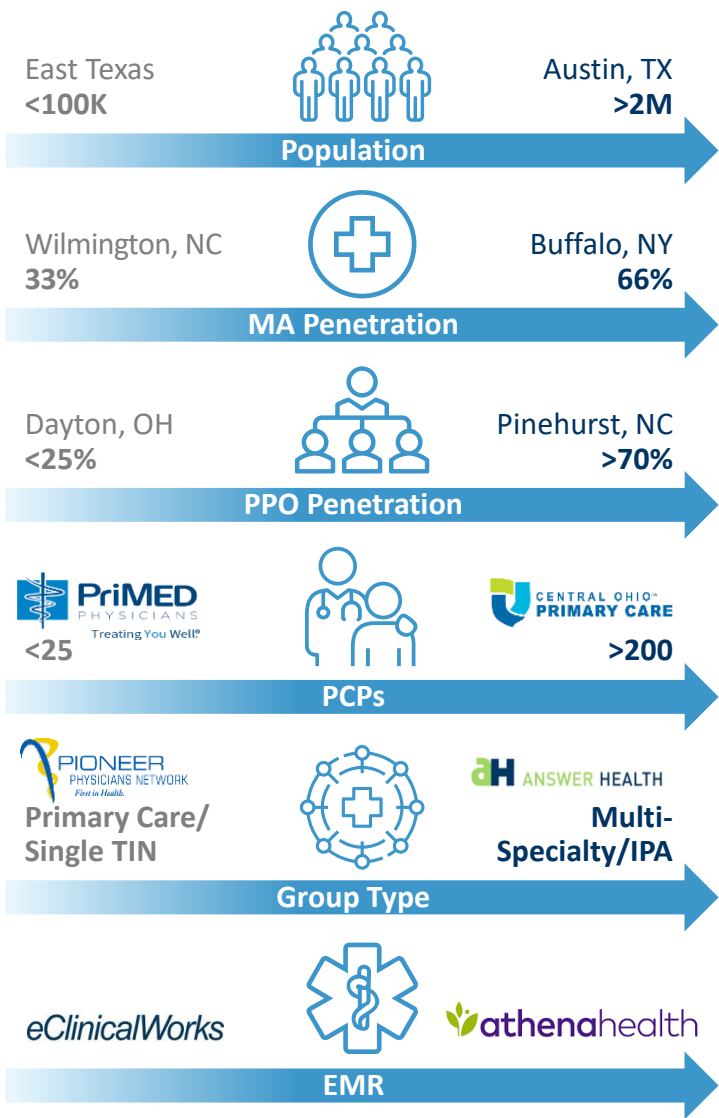


Local Market Scale is Crucial

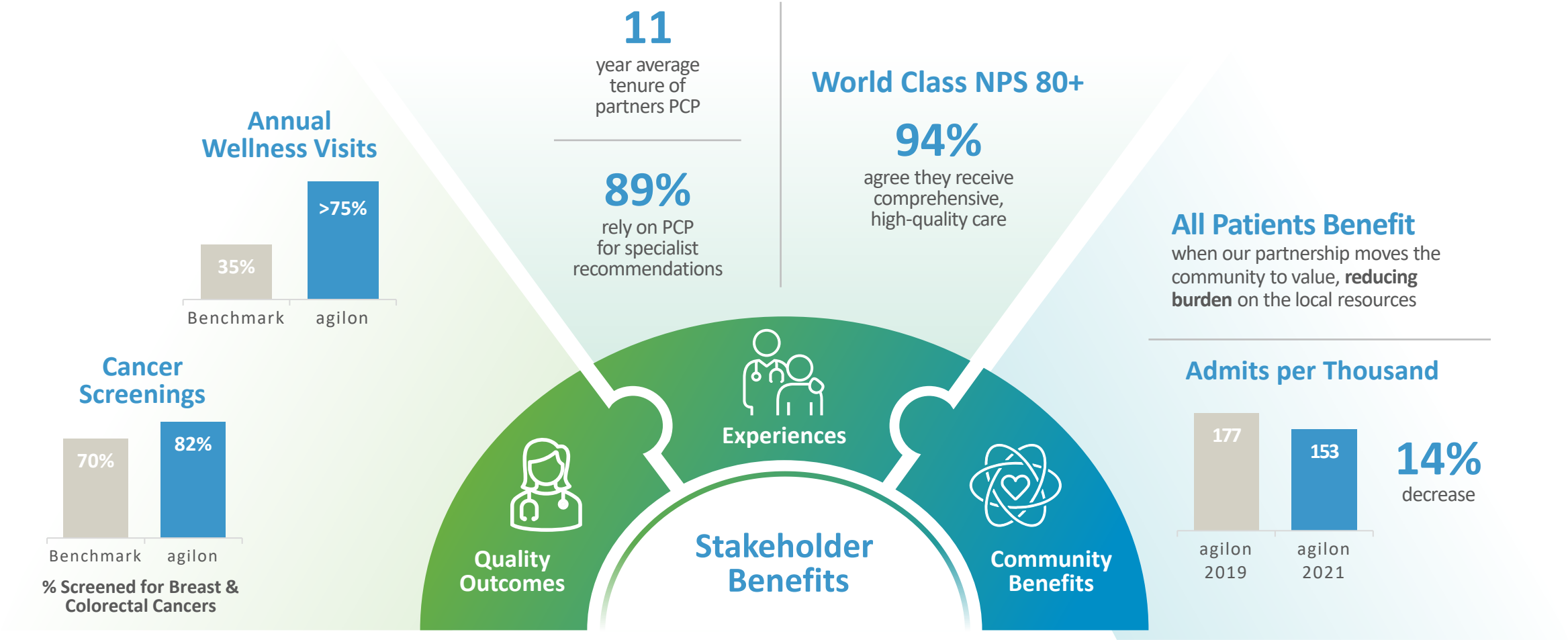
Geography		agilon Partner PCPs	agilon Membership (2022P)	Partner Total Patients	Next Largest Independent PCP Organization
Columbus, OH		239 PCPs 46% of Market	~67,000 MA + DC	~265,000	28 PCPs 3 PCPs
Austin, TX		183 PCPs 31% of Market	~36,000 MA + DC	~375,000	8 PCPs
Akron, OH		73 PCPS 19% of Market	~29,000 MA + DC	~60,000	35 PCPs 12 PCPs
Syracuse, NY		50 PCPs 23% of Market	~24,000 MA + DC	~75,000	21 PCPs 12 PCPs
Pinehurst, NC		26 PCPs 40% of Market	~18,000 MA + DC	~60,000	4 PCPs 2 PCPs

Note: Market share percentage based on independent PCPs in exclusive counties/CBSAs

First Mover Advantage Across Diverse Partners & Geographies

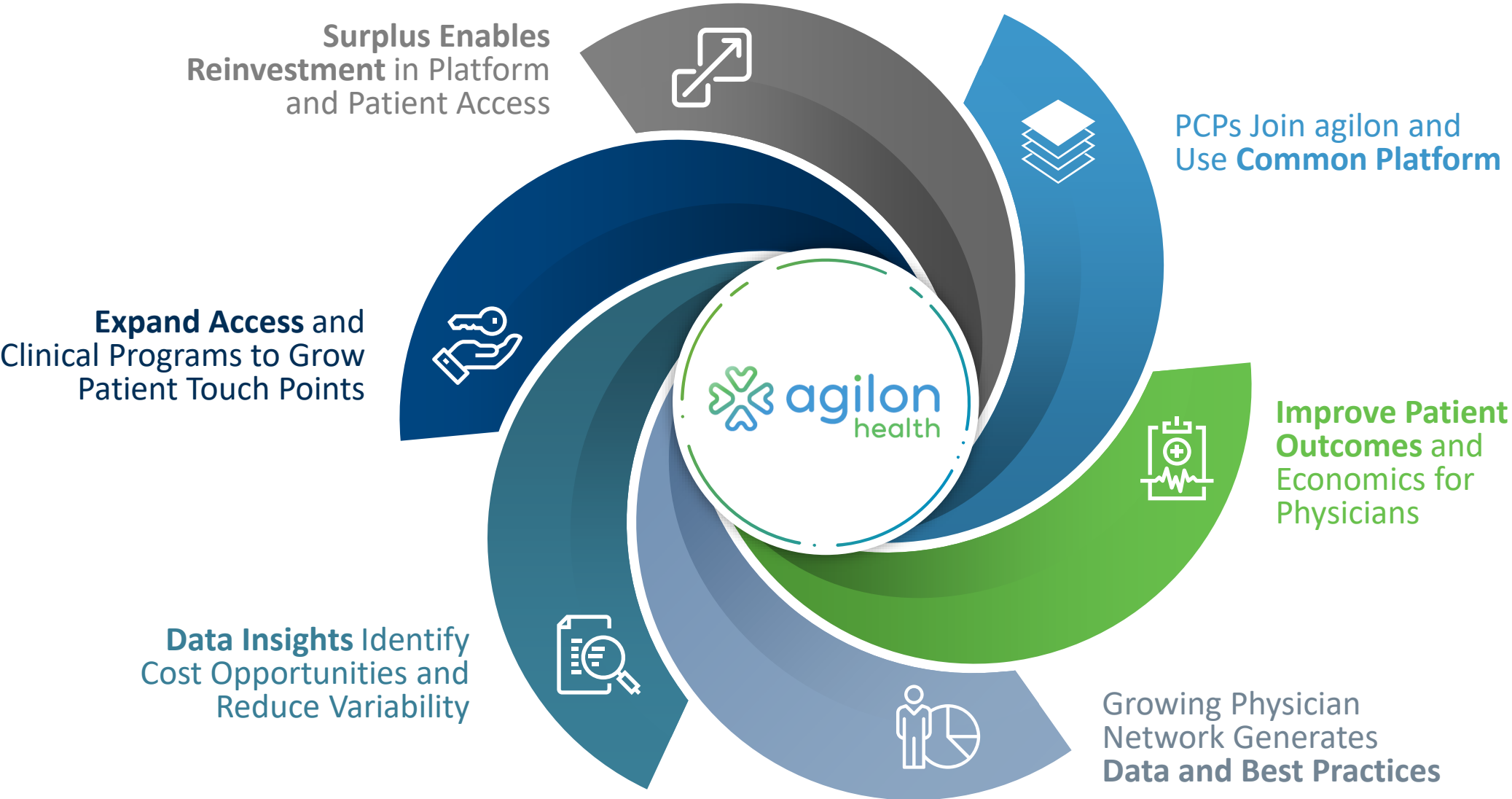


Improving Healthcare Quality and Experience



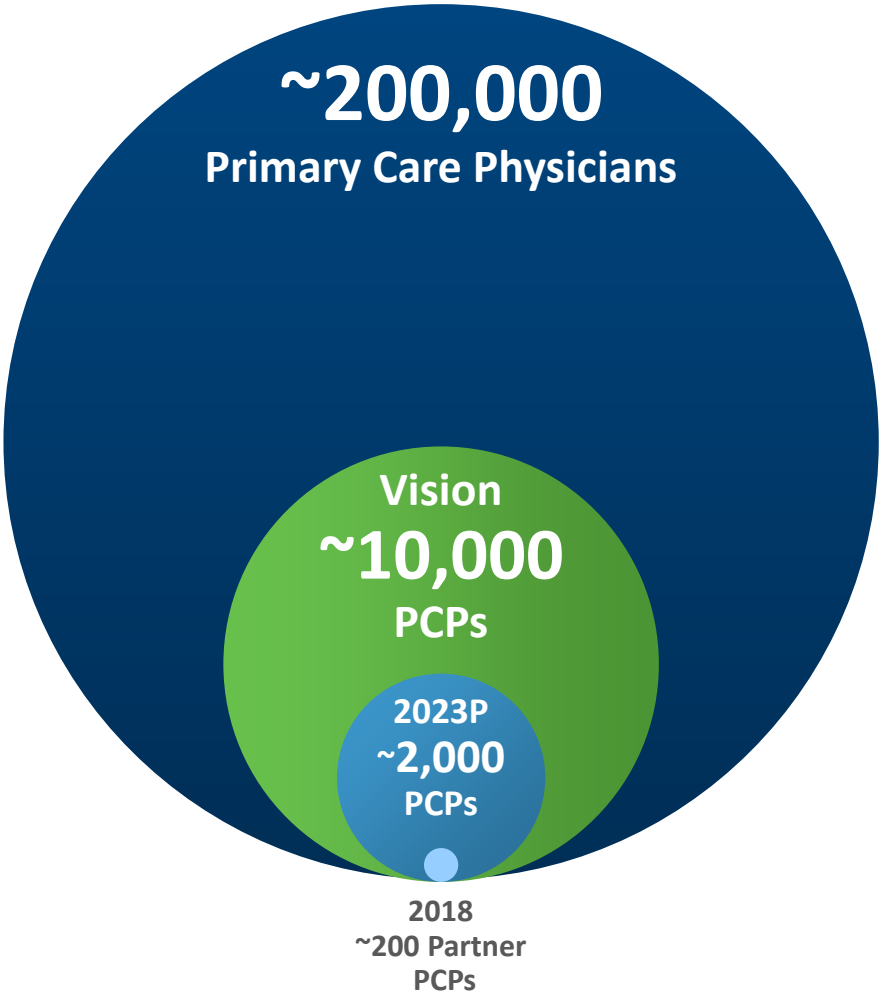
Note: Annual cancer screenings metrics reflect partner markets.

Partnership Creates Powerful Value Flywheel



Massive Opportunity for Value Creation

Our Long-Term Opportunity



Value Drivers for agilon health



Grow the agilon Network:

New markets + new partners
Physician retention and attraction



Expand Access to Primary Care – Larger Panel Sizes Over Time:

~200 for MA, ~400 with DCE
Likely to increase with demographics



Manage Costs Driving Attractive Member and PCP Economics:

\$150–\$200 Medical Margin PMPM (Year 5+)



Reduce Waste – Unmanaged Spend Still Very Significant:

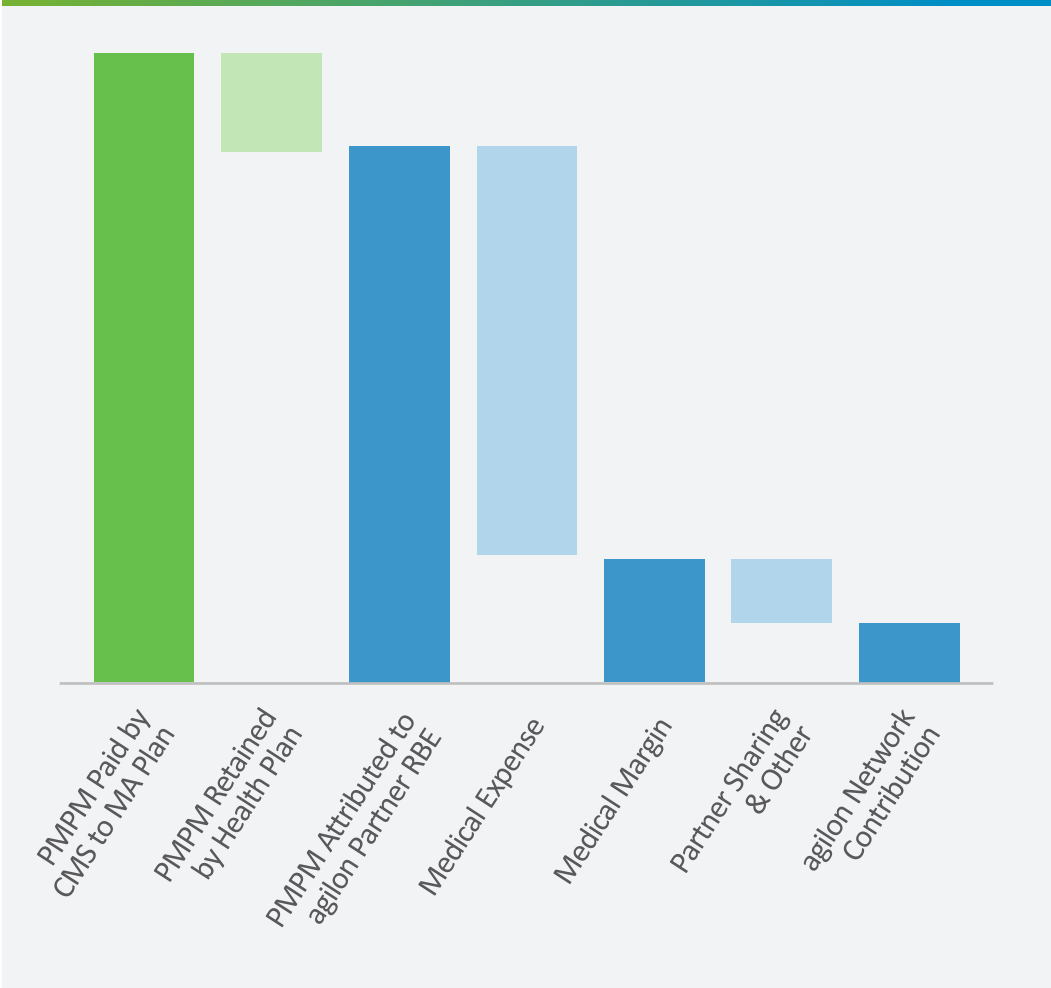
>\$500M of impactable spend in existing markets, our platform is getting stronger and faster

Financial Model



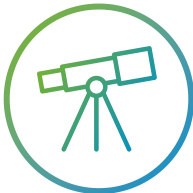
agilon health Economic Model & Key Attributes

Illustrative Economic Model



Long-Term Partnerships

- 20-year partnerships with leading groups
- Surplus reinvested to expand PCP access



High Visibility

- Revenue based on **subscription-like PMPMs**
- New markets implement 6–12 months prior
- Growth driven by demographics & existing panels



Capital Light

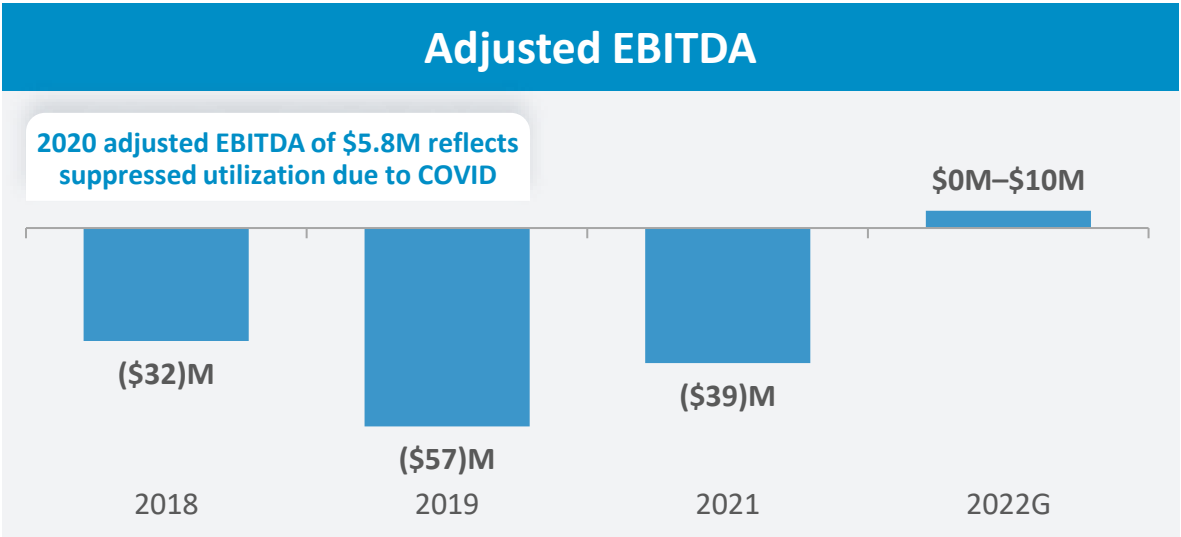
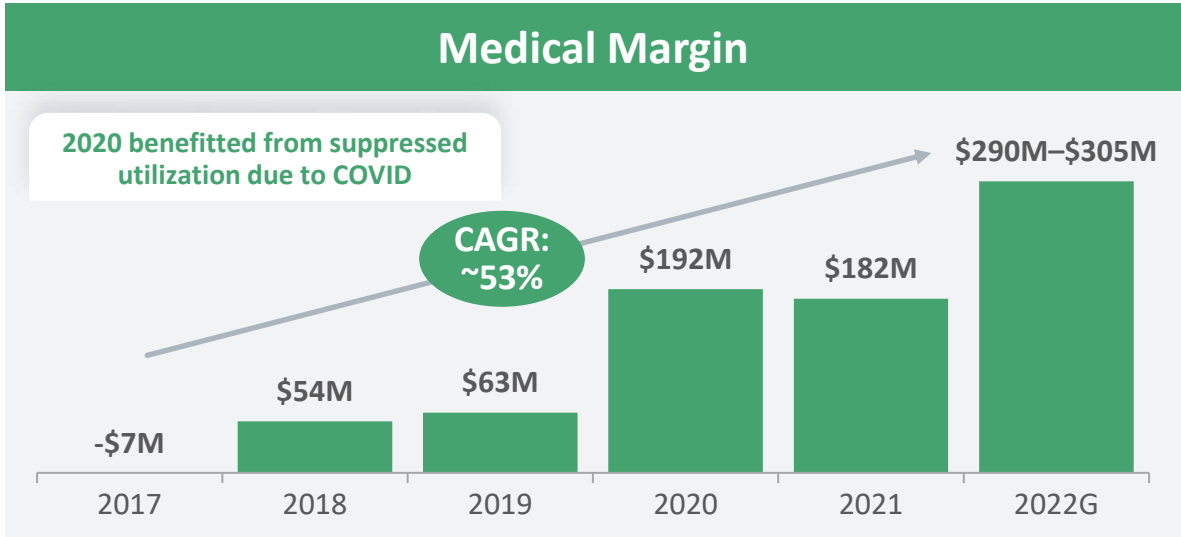
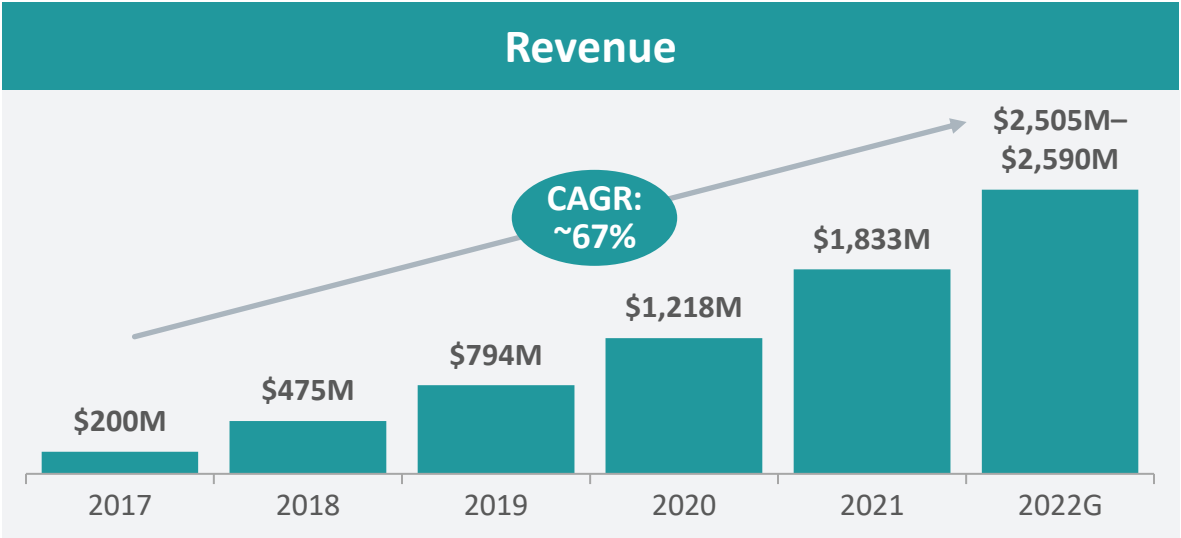
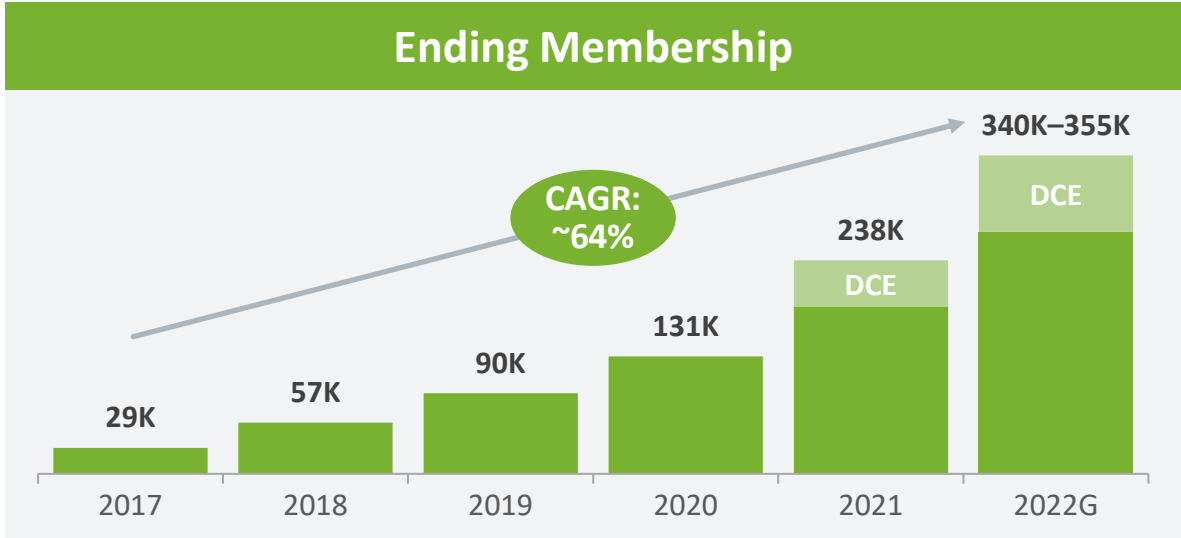
- **Market entry through existing capacity**
- Low CAC and high returns on capital due to low churn and long-term PCP-patient relationship



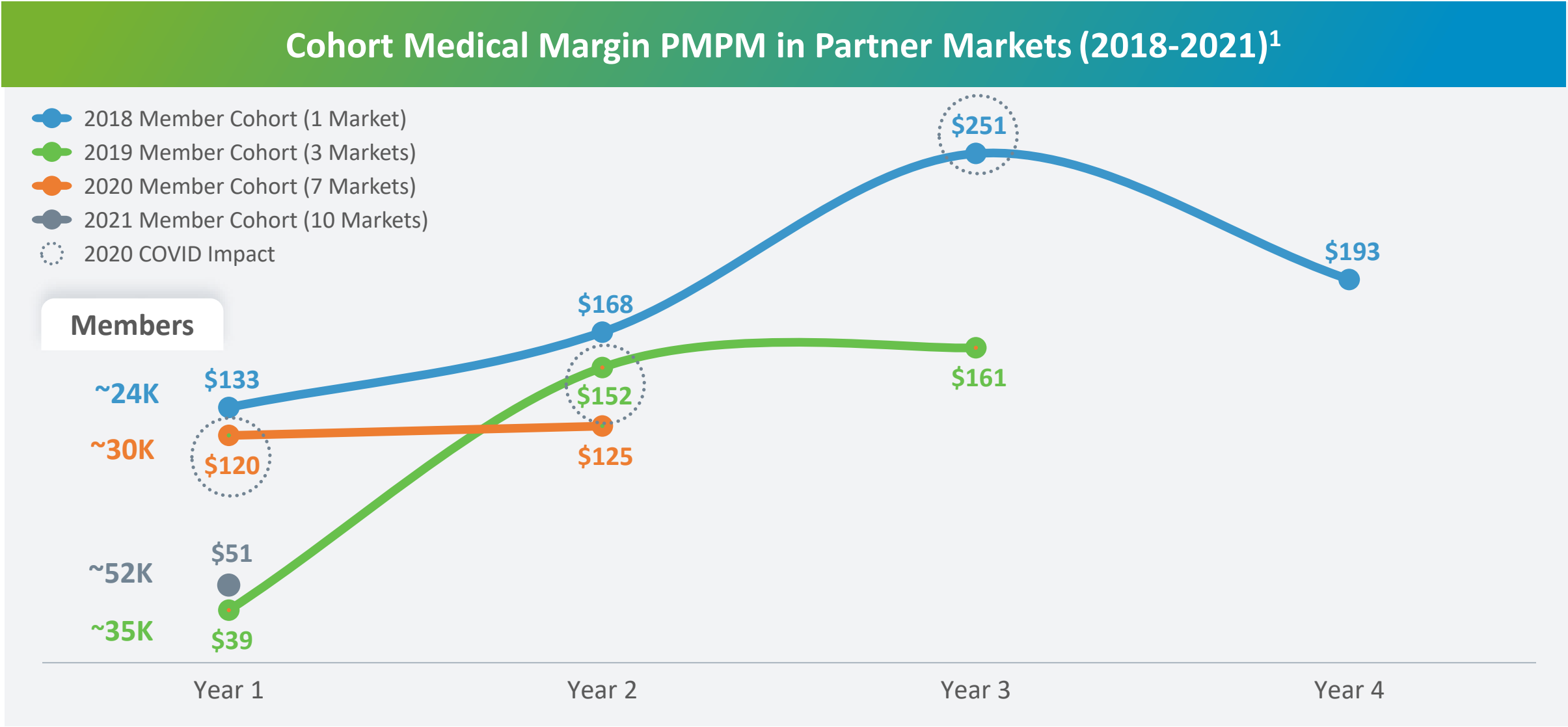
Embedded Long-Term Margins

- Margins mature with member/market tenure
- **60% of membership on platform <3 years**
- Light overhead model with significant leverage

Significant Momentum & Forward Visibility



Strong Medical Margin Progression Across Member Cohorts



1. Cohort Medical Margin reflect incurred results, excluding Part D and other items (other risk pool, certain health plans with limited data).

Business Model Advantages Show in Results



Capital Light

12:1 LTV/CAC

400+ partner facilities
with \$2M capital
expense by agilon



Speed to Profitability

Markets profitable in
1 to 2 years



Predictable Margins

6–12-month new market
implementation

Leveraging trusted
relationships between
PCPs and their existing
patients



Medical Margin Maturation

Year 4+ partner markets
medical margins have
increased by \$79M
while growing
membership 46%



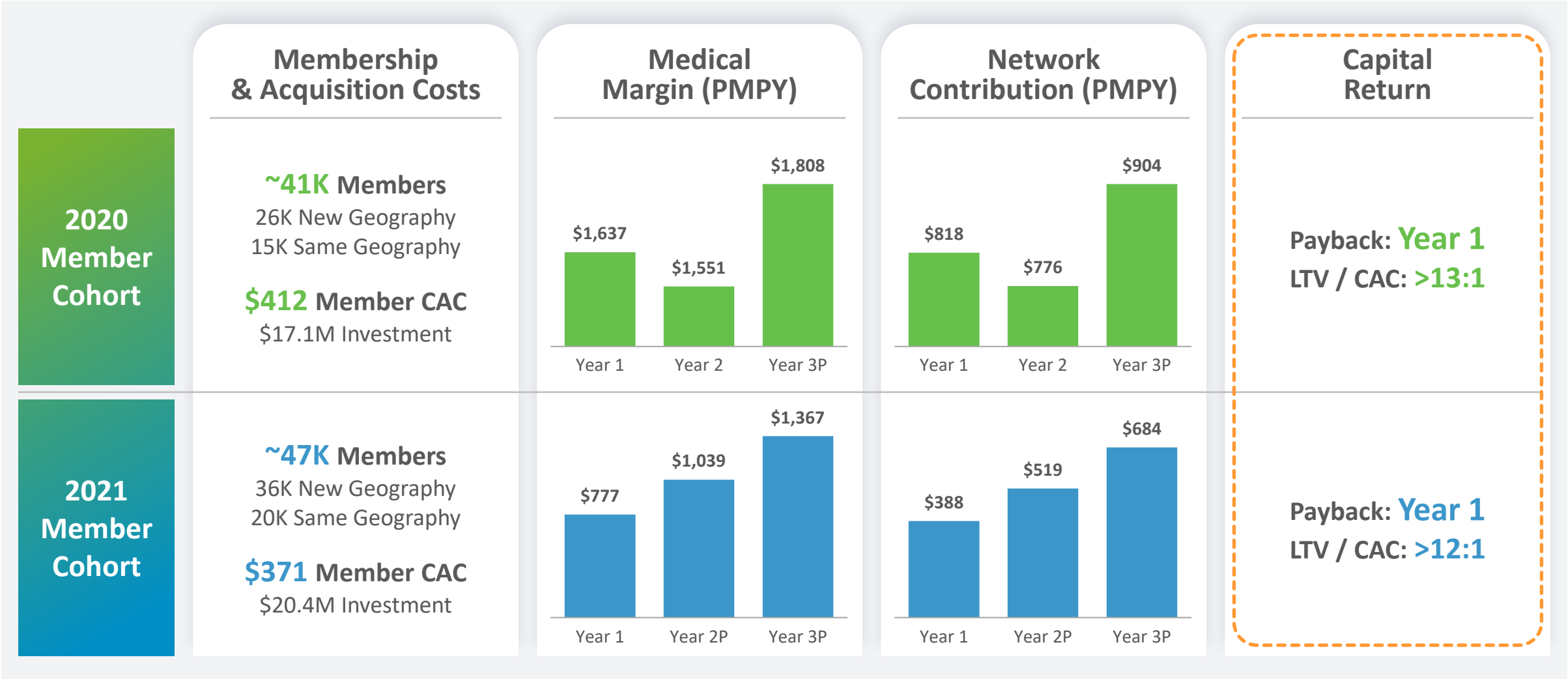
Sticky Patient-Physician Relationships

90%+ patient retention
with partner physicians

Physicians on average
with group 13 years

Highly Attractive LTV/CAC

Payback Period <1 Year for 2020 and 2021 Member Cohorts



Note: LTV/CAC estimate based on 10-year internal projection of cohort Network Contribution.

Balance Sheet Capital Deployment

Balance Sheet & Cash Flow



~\$1B of net cash as of March 31,
adjusted EBITDA positive in 2022



Expect to generate substantial
cash flow during 2022–2026



Not reliant on external capital
to drive growth

Capital Deployment Priorities



Increased PCP capacity and
enhance quality of network



Platform investments, including
technology & clinical innovation



Add capabilities through internal
investment or select M&A

Financial Outlook

	Quarter Ending June 30, 2022	Year Ending December 31, 2022
Ending MA Members	253,000 – 258,000	260,000 – 270,000
Ending DCE Members	85,000 – 90,000	80,000 – 85,000
Total Revenue	\$640M – \$652M	\$2,505M – \$2,590M
Medical Margin	\$80M – \$83M	\$290M – \$305M
Adjusted EBITDA	\$4M – \$7M	\$0M – \$10M

We have not reconciled guidance for Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure, and have not provided forward-looking guidance for net income (loss), because of the uncertainty around certain items that may impact net income (loss), including stock-based compensation.

Non-GAAP Reconciliations

ADJUSTED EBITDA

(Dollars in thousands)

	Year Ended December 31,			
	2021	2020	2019	2018
Net income (loss)	\$(406,787)	\$(60,052)	(282,588)	(146,926)
(Income) loss from discontinued operations, net of income taxes	1,303	(3,156)	168,285	65,338
Interest expense	6,146	8,135	9,068	9,839
Income tax expense (benefit)	886	865	(232)	(113)
Depreciation and amortization	14,544	13,531	12,253	11,385
Geography entry costs ⁽¹⁾	32,572	27,100	9,787	4,918
Severance and related costs ⁽²⁾	12,861	4,009	3,675	3,036
Management fees ⁽³⁾	433	1,530	1,885	1,755
Stock-based compensation expense	292,394	6,472	4,399	2,950
EBITDA adjustment related to equity method investments ⁽⁴⁾	1,736	—	—	—
Other ⁽⁵⁾	<u>5,293</u>	<u>7,393</u>	<u>16,757</u>	<u>15,578</u>
Adjusted EBITDA	<u><u>\$ (38,619)</u></u>	<u><u>\$ 5,827</u></u>	<u><u>(56,711)</u></u>	<u><u>(32,240)</u></u>

1. Represents direct geography entry costs, including investments to develop and expand our platform and costs in geographies that are in implementation and are not yet generating revenue. For the years ended December 31, 2021, 2020, 2019, 2018 (i) \$12.0 million, \$8.9 million, \$2.9 million, and \$2.2 million, respectively, are included in other medical expenses and (ii) \$20.6 million, \$17.9 million, \$6.9 million, and \$2.7 million, respectively, are included in general and administrative expenses.

2. For the year ended December 31, 2021, includes taxes and related costs on stock option exercises for departed executives of \$5.4 million.

3. Represents management fees and other expenses paid to CD&R. In connection with our initial public offering, we terminated our consulting agreement with CD&R, effective April 16, 2021. We were not charged a fee in connection with the termination of this agreement.

4. Includes direct geography entry costs of and \$1.3 million for the year ended December 31, 2021.

5. Includes changes in non-cash accruals for unasserted claims and contingent liabilities.