

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 7, 2021

**APOLLO MEDICAL HOLDINGS, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-37392  
(Commission File  
Number)

95-4472349  
(I.R.S. Employer  
Identification Number)

1668 S. Garfield Avenue, 2nd Floor, Alhambra, CA 91801  
(Address of Principal Executive Offices, and Zip Code)

(626) 282-0288  
Registrant's Telephone Number, Including Area Code

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Precommencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Precommencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AMEH	Nasdaq Capital Market

**Item 7.01 Regulation FD Disclosure.**

Apollo Medical Holdings, Inc. (the "Company") will conduct meetings with members of the investment community in April 2021 as a part of a non-deal roadshow, and has prepared presentation materials that the Company intends to use in this regard. A copy of the presentation materials to be used is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in this Current Report on Form 8-K, including the exhibit referenced herein, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The furnishing of this information will not be deemed an admission as to the materiality of any information contained herein.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

[99.1 - Investor Presentation](#)

**Forward-Looking Statements**

This current report on Form 8-K contains 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. These statements include words such as "forecast," "guidance," "projects," "estimates," "anticipates," "believes," "expects,"

“intends,” “may,” “plans,” “seeks,” “should,” or “will,” or the negative of these words or similar words. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in each such statement. A number of important factors could cause actual results to differ materially from those included within or contemplated by the forward-looking statements, including, but not limited to, the factors described in our filings with the Securities and Exchange Commission, including the Company’s most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q. The Company does not undertake any responsibility to update any of these factors or to announce publicly any revisions to any of the forward-looking statements contained in this or any other document, whether as a result of new information, future events, or otherwise.

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#### SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

#### APOLLO MEDICAL HOLDINGS, INC.

Dated: April 7, 2021

By: /s/ Thomas S. Lam

Name: Thomas S. Lam, M.D., M.P.H.

Title: Co - Chief Executive Officer & President

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## 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.

### ApolloMed At-A-Glance

Ticker	NASDAQ: AMEH
Headquarters	Alhambra, California
Employees <small>(as of 12/31/2020)</small>	630
Recent Stock Price <small>(as of 4/1/2021)</small>	\$27.97
Market Cap <small>(as of 4/1/2021)</small>	\$1.5 billion
Common Shares Outstanding <small>(as of 4/1/2021)</small>	54.9 million
Book Value Per Common Share	\$6.08
TTM Revenues	\$687 million

Information as of 12/31/2020 unless otherwise noted

## Investment Highlights

### Track Record of Strong Financial Performance

Physician-led organization with proven track record of **profitably managing risk** and **growing member enrollment**

Compelling financial model supported by **highly predictable unit economics** with **upside potential** from risk-bearing arrangements

### A Leading Physician-Centric, Technology-Powered Care Provider

Value-based care model supported by **proprietary integrated health management & healthcare delivery platform**

Combines **innovative technologies** with **clinical expertise** for operational excellence and efficiencies

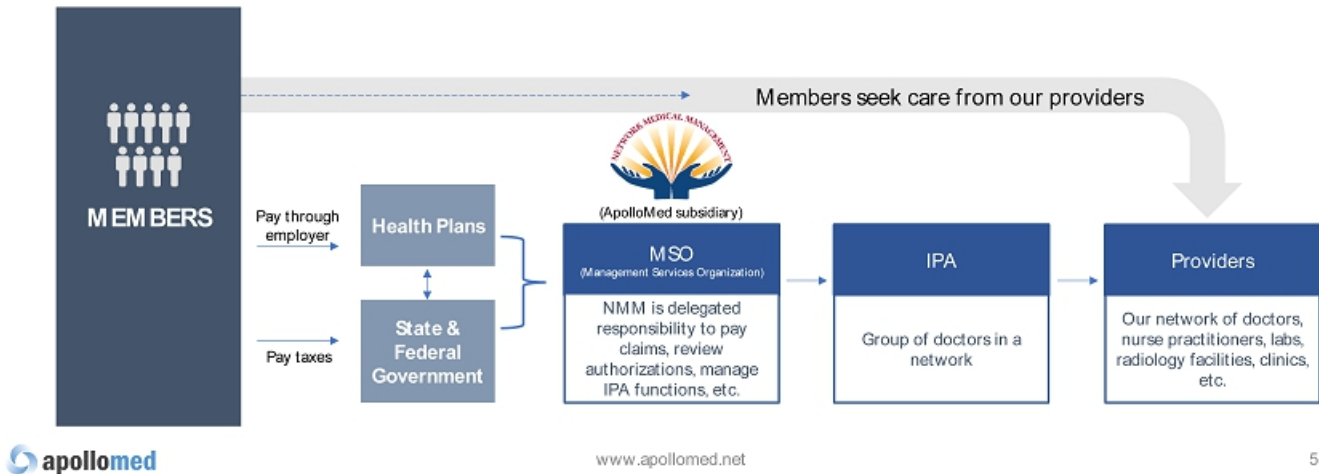
### Experienced Leadership Driving Strategic Growth

Multifaceted growth strategy driven by **national shift to value-based care**, creating large market opportunity

**Margin expansion** through proprietary technologies

# Where ApolloMed Fits in the U.S. Healthcare Ecosystem

Through its MSO, consolidated IPAs, and ACO, ApolloMed is one of the nation's largest population health management companies and one of few that provides the **full spectrum of care**.



## Our Service Offerings & Revenue Model

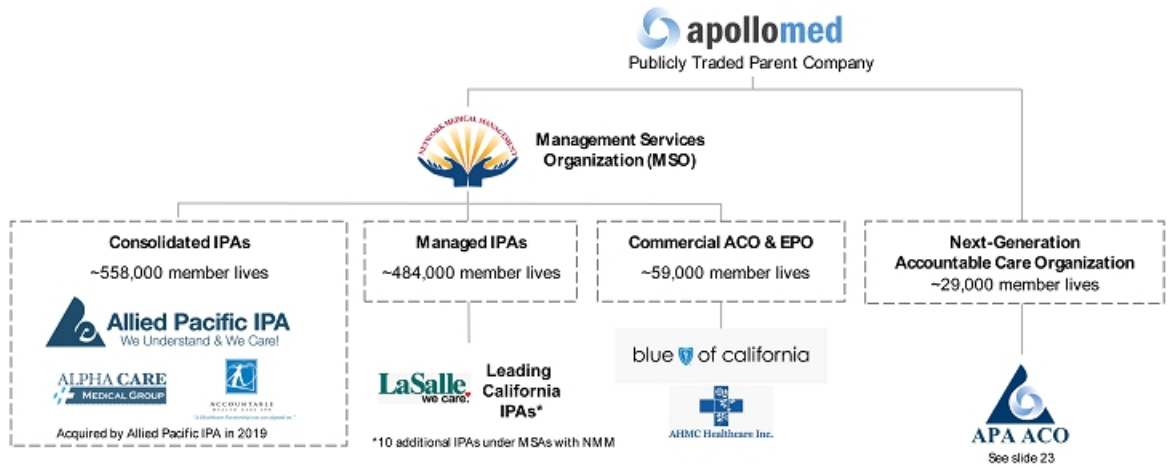
Across all aspects of care delivery, our offerings provide a steady revenue stream.

Service Offering	Description	% of Revenue <sup>1</sup>
Consolidated Independent Practice Associations (IPAs)	<ul style="list-style-type: none"> <li>Network of primary and specialty physicians</li> <li>Deliver care under risk-bearing and capitated arrangements with payors</li> </ul>	~81%
Next Generation ACO / Risk Model	<ul style="list-style-type: none"> <li>Negotiates discounts and manages claims for a network of physicians in 15 U.S. states and territories that deliver coordinated care to set beneficiaries under a risk-bearing capitated arrangement with CMS<sup>2</sup></li> </ul>	~11%
Management Services Organization (MSO)	<ul style="list-style-type: none"> <li>Provides non-medical services to medical companies and IPAs, such as billing, collection and administrative tasks</li> </ul>	~5%
Commercial EPO	<ul style="list-style-type: none"> <li>Delivers care under risk-bearing and capitated arrangements with employers</li> <li>Members must utilize doctors and hospitals within the EPO network</li> </ul>	New offering
Commercial ACO	<ul style="list-style-type: none"> <li>Provides care coordination for aligned members</li> </ul>	New offering

1. For year ended 12/31/2020. Remaining 3% of revenue are related to fee-for-service offerings rendered by our contracted physicians at our outpatient centers and other income.  
 2. Centers for Medicare & Medicaid Services

# Organizational Overview

Together with our affiliated physician groups and consolidated entities, ApolloMed manages the medical lives of more than 1.1 million members.



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## Compared to a traditional fee-for-service model...

### Traditional Fee-for-Service Model

- Siloed care with little coordination among providers
- Volume-based system results in redundant, contradictory care
- Limited integration and data sharing
- Reactive care
- Little sensitivity to cost
- Poor patient experience

## .. ApolloMed provides tech-powered value-based care

*We created a technology-powered platform to deliver value-based care through our horizontally and vertically integrated physician-centric model.*

### ApolloMed's Value-Based Care Model

- Integrated healthcare ecosystem
- Reduce redundant and/or unnecessary testing
- Actionable data allows providers to make informed decisions
- Emphasize preventative/ chronic care management
- Incentive to deliver better care at lower cost
- Improved patient experience and outcomes



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# Our Value-Based Care Model Benefits all Stakeholders

## PATIENTS

- Improved health outcomes
- Improved patient experience
- Reduced out-of-pocket expenses for patients

## PAYORS

- Improved population health and higher quality scoring
- Increased membership
- Significant savings (capitation arrangements align financial incentives with proactive and preventative healthcare)

## PROVIDERS

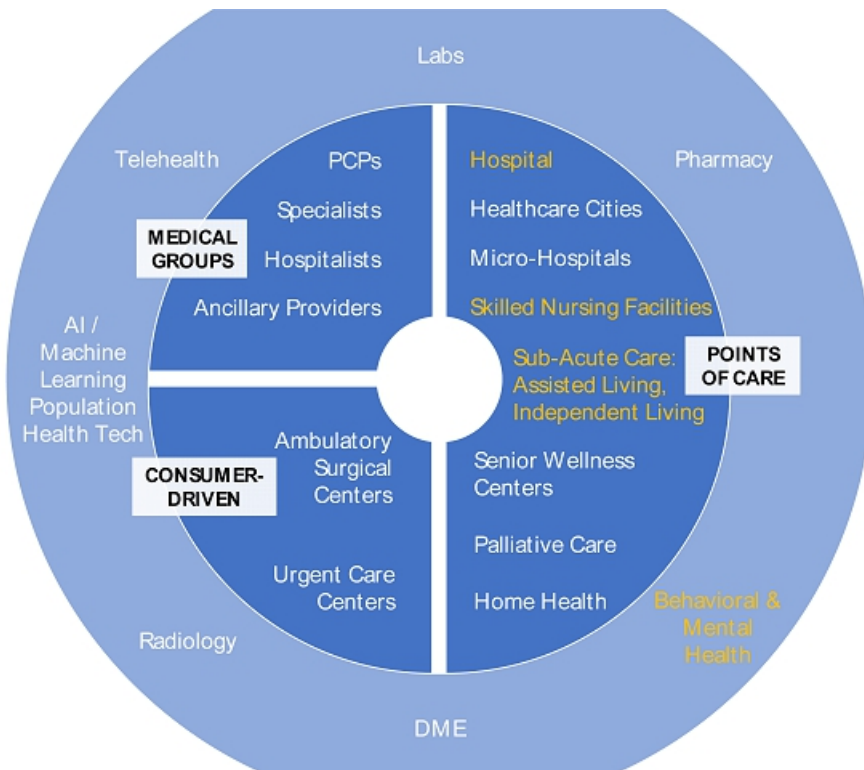
- Reduced burn-out with flexible schedules and greater work-life balance
- Relief of administrative burden
- Customized technology-powered clinical support
- Compensation driven by quality

## PARTNERS

- Increased utilization of facilities
- Focuses care in the most cost-effective setting while enabling ApolloMed and hospital partners to share in risk pool dollars



Our next-generation integrated healthcare platform is centered around the **patient**.



ApolloMed entities  
Strategic & Preferred Contractual Partners







# Select ApolloMed Points of Care



## Why Physicians Partner with ApolloMed

ApolloMed empowers its physicians to cost-effectively deliver the highest quality of care to its patients by aligning financial incentives around proactive and preventative healthcare.

 <p><b>Financial Compensation</b></p> <ul style="list-style-type: none"> <li>▪ PMPM payments and incentives to physicians</li> <li>▪ Opportunity for equity awards; aligns incentives and offers a chance to participate in Company's financial success</li> </ul>	 <p><b>Work Environment and Culture</b></p> <ul style="list-style-type: none"> <li>▪ Flexible physician schedules to promote work-life balance</li> <li>▪ Focus on high quality care, offering sufficient time with patients tailored to local community needs</li> </ul>	 <p><b>Industry-Leading MSO Capabilities</b></p> <ul style="list-style-type: none"> <li>▪ Combination of clinical, administrative, and technology capabilities enable physicians to focus on patients while retaining a greater share of their capitated income stream</li> </ul>	 <p><b>Business Transparency</b></p> <ul style="list-style-type: none"> <li>▪ Only publicly traded population health management system in Southern California                             <ul style="list-style-type: none"> <li>– Recruiting/retention tool</li> </ul> </li> <li>▪ Physicians offered opportunity to join a publicly traded MSO and IPA company, which provides transparency through public reporting</li> </ul>
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# Long-Term Relationships with a Diversified Payor Mix

15  
years

Average tenure  
with key payors

<15%  
total net  
revenue

Contribution from  
each top payor



## Proprietary Technology Platform

ApolloMed combines technology and data analytics, powered by machine learning and artificial intelligence, with clinical expertise.



# Proprietary Technology Platform

Our solutions address three key pain points in managed healthcare delivery:

## Automated Medical Claims Adjudication



- Have processed >2.5 million claims with no human intervention across 14 IPAs and all lines of business
- Saved >20,000 hours of manual claims examiner effort

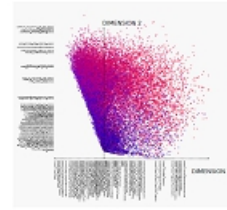
## Utilization Management Automation

- Have processed >150,000 authorization requests with no human intervention across 14 IPAs and all lines of business
- Saved >1,000 hours of UM examiner effort



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## Population Health Platform



- Real-time value-based care KPIs (HEDIS measures, HCC capture)
- Real-time, actionable notifications for providers
- Machine-learning model for population risk stratification



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# Improving Outcomes for Members

## Medicare



Data from Centers for Medicare & Medicaid Services (CMS), Chronic Conditions Data Warehouse (CCW), competitors' IR, and internal figures

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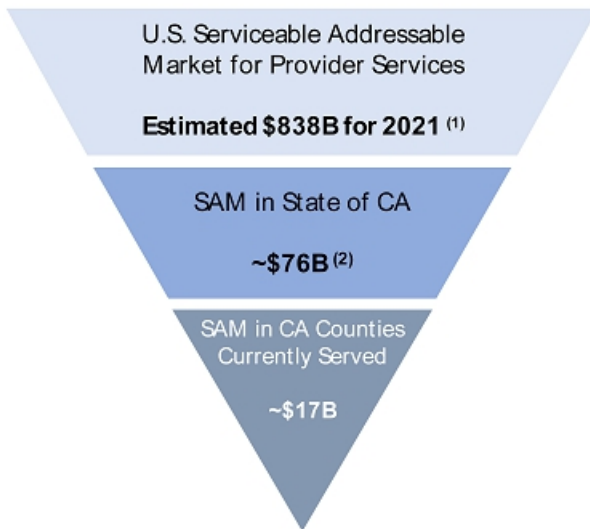
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# The Market Opportunity

ApolloMed is at the intersection of provider services and healthcare technology.



## A Significant Market Opportunity in Provider Services



Provider services population includes:

Medicare, Medicaid, Commercial and Other Third Parties

Potential membership in the State of California:

~21 M <sup>(3)</sup>

Potential membership in CA counties currently served:

~14 M <sup>(4)</sup>

U.S. Total Addressable Market for ApolloMed Services

>\$3.6T for 2021<sup>(1)</sup>

# Industry Peers



Ticker	NASDAQ: AMEH	SPAC merger expected with Jaws Acquisition Corp. (NYSE: JWS)	NASDAQ: CLOV	NYSE: OSH	NASDAQ: ONEM
Business	Leading physician-centric, technology-powered, risk-bearing healthcare management company	Leading value-based care delivery platform for seniors	Next-generation Medicare Advantage insurance company	Network of value-based, primary care centers for adults on Medicare	Membership-based and technology-powered primary care platform with digital health and in-office care
Members Served	1,130,000	103,000	66,000	98,000	549,000
Market Cap	\$1.5B	SPAC – valued at \$4.4B	\$3.7B	\$12.8B	\$7.5B
TTM Revenue	\$687.2M	\$812M (2020E)	\$672.9M	\$882.8M	\$380.2M
EV/Revenue	2.4 <sup>(3)</sup>	5.4	5.2	13.9	19.1
TTM EBITDA	\$203.5M <sup>(1)(2)</sup>	\$64M (2020E)	(\$33.9M)	(\$172.3M)	(\$55.4M)
EV/EBITDA	8.1 <sup>(3)</sup>	68.8	(103.5)	(71.4)	(131.0)

Note: Peer stats sourced from Yahoo Finance, TTM info is as of 12/31/2020, or from details published by peer IR teams

(1) Refer to TTM EBITDA reconciliation on slide 39

(2) Includes approx. \$99.6M gain on sale of a small health plan and approx. \$25.1M in savings from medical claims in expenses resulting from decreased utilization during the COVID-19 pandemic

(3) See "Current Capitalization" (slide 33) for more information.



## ApolloMed is Executing a Clear Growth Strategy

Consolidate additional IPAs and enter new markets and geographies

Build on ACO success and participate in additional Innovation Models

Continue to invest in technology, preventive care, and automation to further drive clinical care capabilities and margin expansion

Expand physician network and membership

Establish new, and deepen existing, strategic partnerships



# Integration of Acquired IPAs

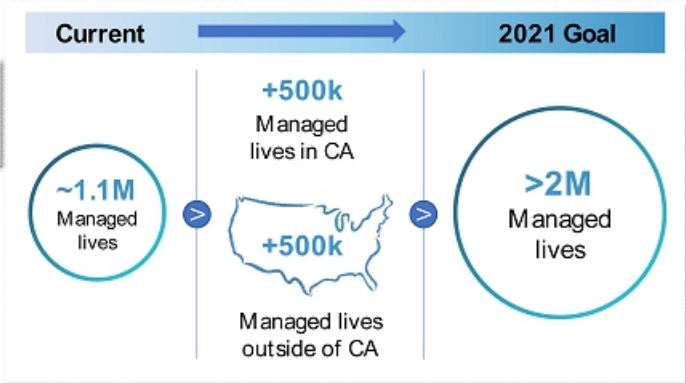
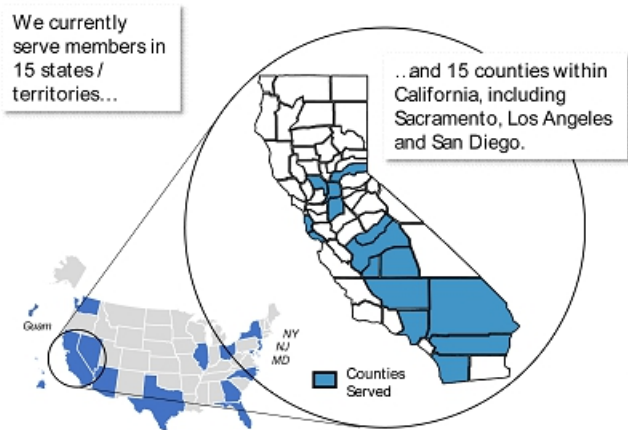
ApolloMed continues to implement processes to fully integrate the IPAs acquired in 2019 into its framework—expected completion within 3 years of closing.

- Strategic Growth – Undervalued IPAs in contiguous areas
- Culture Change – Improvement needed in utilization management and population health practices
- Contracting – Payor contracts cannot be amended immediately

 <p>Allied Pacific IPA acquired for approx. \$45M in May 2019</p> <p>~170,000 members 340+ primary care physicians</p>	 <p>Allied Pacific IPA acquired remaining 75% stake not already held for approx. \$7.25M in August 2019</p> <p>~89,000 members 400+ primary care physicians</p> <p><i>"A Healthcare Partnership you can depend on."</i></p>
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# Expanding Nationwide

ApolloMed is well positioned to increase our existing presence in California while exploring opportunities to expand our geographic footprint beyond the state.



# Strategic Investment in CAIPA MSO – New York

**Apollo Medical Holdings, Inc. and CAIPA MSO, LLC Announce Strategic Alliance in New York**  
January 26, 2021



- CAIPA is a leading independent practice association serving the greater New York City area
- Provides management, consulting, administrative, and other support services to professional healthcare service providers, including to Chinese American IPA d/b/a Coalition of Asian-American IPA ("CAIPA")

Agreement whereby ApolloMed will own 30% of the post-closing total interests in CAIPA MSO on a fully diluted basis

Partnership with CAIPA MSO enables ApolloMed to have a risk-contained entry foothold into New York

ApolloMed to provide CAIPA MSO customers access to its proprietary population health management and healthcare delivery platform

Closing expected in Q2 2021



Private practice providers covering over 70 specialties



Managed lives



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# Stellar NGACO Performance in 2019



For the 2019 performance year, APA ACO was among the top 4 NGACOs in the country (out of 37) in

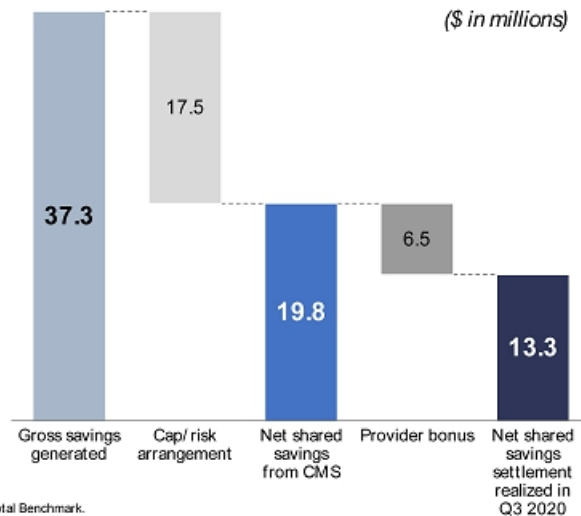


**Gross Savings Amount**



**Gross Savings Percentage**

- Applied and was approved by CMS to participate in the Next Generation ACO model in 2017
- Approved to participate in the All-Inclusive Population-Based Payment ("AIPBP") track, the most advanced risk-taking payment model



Gross Savings/ Loss Amount is the Total Benchmark Expenditures minus the Total Aligned Beneficiary Expenditures.  
Gross Savings/ Loss Percentage is the Total Benchmark minus Aligned Beneficiary Expenditures as a percentage of the Total Benchmark.  
Data sourced from: <https://innovation.cms.gov/innovation-models/next-generation-aco-model/>; 37 ACO's reported as of 2/15/2021



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# Our Response to COVID-19

ApolloMed has implemented measures to support our members, physicians and employees during the ongoing COVID-19 pandemic.



- Drive-thru testing stations
- Increased testing capabilities
- Immediate access
- Telehealth options



- Access to critical supplies
- Reduced patient loads
- Relief of administrative burdens
- Knowledge sharing



- Flexible work arrangements
- Digital workspaces
- Priority telehealth access

## Prioritizing the health and safety of the communities we serve

# Investment Summary

Large and rapidly growing market opportunity focused on value-based care

A value-based care model supported by proprietary care management technologies

A compelling financial model with predictable unit economics and potential upside from risk-sharing

Multifaceted growth strategy driven by the shift to value-based care

Combination of innovative technologies and clinical expertise for operational excellence and efficiencies (margin expansion)

Clinically experienced management team committed to enhancing shareholder value

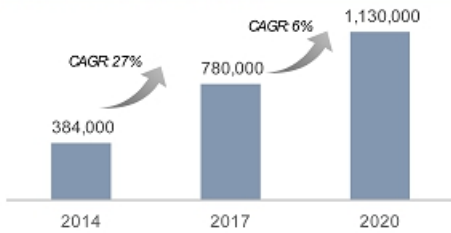
# Financial Overview

A History of Profitable Growth

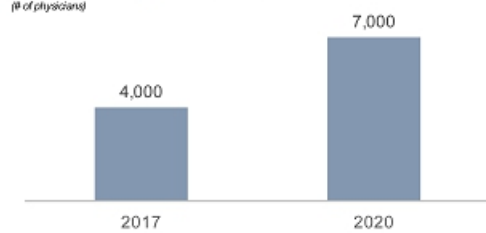


## Historical Financial Profile

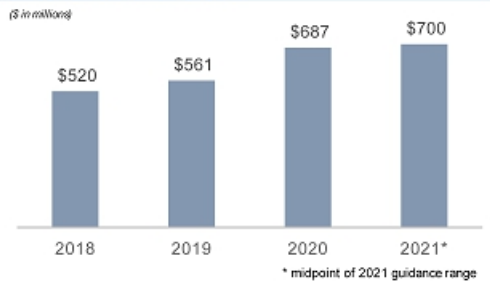
Consistent Membership Growth



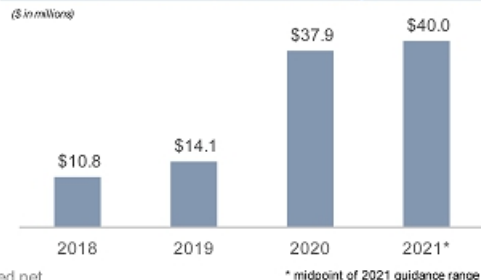
Contracted Physicians Growth



Historical Revenue Growth



Historical Net Income Attributable to ApolloMed Growth





# Summary of Financial Results

<i>\$ in 000s except per share data</i>	Q4 2020	Q4 2019	YE 2020	YE 2019
<b>Revenue</b>				
Capitation, net	\$ 140,923	\$ 148,620	\$ 557,326	\$ 454,168
Risk pool settlements and incentives	23,212	18,458	77,367	51,098
Management fee income	8,638	6,801	34,850	34,668
Fee-for-service, net	3,249	3,416	12,683	15,475
Other income	760	1,456	4,954	5,209
<b>Total revenue</b>	<b>176,782</b>	<b>178,751</b>	<b>687,180</b>	<b>560,618</b>
Total expenses	150,907	167,818	606,677	528,198
<b>Income from operations</b>	<b>25,875</b>	<b>10,933</b>	<b>80,503</b>	<b>32,420</b>
<b>Net income (loss)</b>	<b>12,908</b>	<b>(1,280)</b>	<b>122,320</b>	<b>17,673</b>
Net income (loss) attributable to noncontrolling interest	2,851	(8,007)	84,454	3,557
<b>Net income attributable to ApolloMed</b>	<b>\$ 10,057</b>	<b>\$ 6,727</b>	<b>\$ 37,866</b>	<b>\$ 14,116</b>
<b>Earnings per share – diluted</b>	<b>\$ 0.26</b>	<b>\$ 0.18</b>	<b>\$ 1.01</b>	<b>\$ 0.39</b>

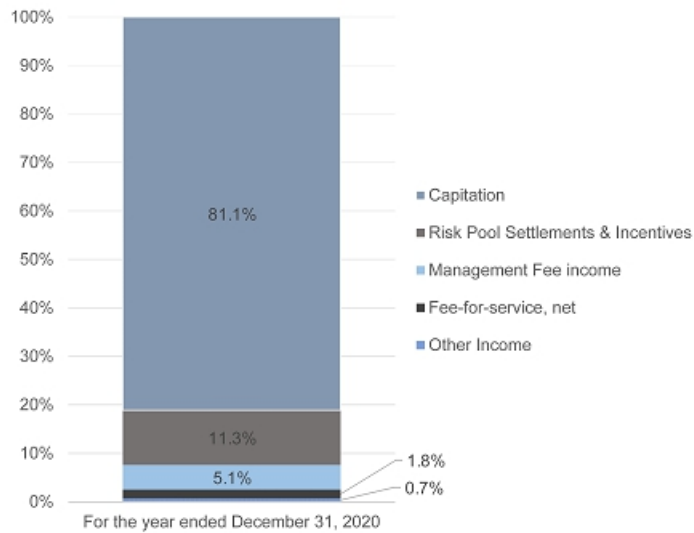
## 2021 Guidance

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

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

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

# Revenue Breakdown



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

# Balance Sheet Highlights

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

# Current Capitalization

(figures in millions, except per share price)

Recent Share Price (as of 4/1/2021)	\$	27.97
Common Shares Outstanding		54.9
<b>Market Capitalization</b>	<b>\$</b>	<b>1,535.6</b>
Plus: Total Bank Debt		245.7
Less: Cash and Cash Equivalents <sup>(1)</sup>		(132.7)
<b>Implied Enterprise Value</b>	<b>\$</b>	<b>1,648.6</b>
Notes:		
Availability on Revolving Credit Facility	\$	16.8

Note: Balance sheet data as of 12/31/2020.  
(1) Excludes restricted cash of \$61M.



# Management – A Team of Industry Veterans



Kenneth Sim, MD

Thomas S. Lam, MD, MPH

Brandon Sim

Eric Chin

Adrian Vazquez, MD

Albert Young, MD, MPH

Executive Chairman & Co-CEO	Co-CEO & President	Chief Operating Officer & Chief Technology Officer	Chief Financial Officer	Chief Medical Officer	Chief Administrative Officer
<ul style="list-style-type: none"> <li>Joined AMEH in 2006</li> <li>Currently serves as Chairman of Allied Pacific IPA, Chairman of NMM since 2013 and director of NMM since 2006</li> <li>Fellow of the American College of Surgeons</li> <li>General surgeon</li> </ul>	<ul style="list-style-type: none"> <li>Joined AMEH in 2005</li> <li>AMEH director since 2016</li> <li>15 years as CEO and director of NMM</li> <li>Chairman &amp; CEO of APC from 2006-2014</li> <li>30 years as a practicing physician/gastroenterologist</li> </ul>	<ul style="list-style-type: none"> <li>Joined AMEH in 2019</li> <li>Quantitative Researcher at Citadel Securities and CTO at Theratech</li> <li>B.A. in Statistics and Physics and M.S. in Computer Science and Engineering from Harvard University</li> </ul>	<ul style="list-style-type: none"> <li>Joined AMEH in 2018</li> <li>Also CFO of NMM</li> <li>17+ years of financial experience</li> <li>B.A. from UCLA, licensed CPA</li> </ul>	<ul style="list-style-type: none"> <li>Joined AMEH in 2001</li> <li>Served as AMEH President and Chairman of the Board from 2008-2011, prior to NMM's merger with AMEH</li> <li>Co-founder of AMEH Hospitalists</li> <li>Internal medicine specialist</li> </ul>	<ul style="list-style-type: none"> <li>Joined AMEH in 2006</li> <li>25+ years as pulmonology specialist</li> <li>M.D. from West Virginia University School of Medicine and a Master's in Public Health from UCLA</li> </ul>

# U.S. Value-Based Landscape – Providers

The value-based care landscape continues to broaden as more companies enter the market to take capitation risk directly or assist physicians in the transition to risk-based arrangements.

Payor Owned	Investor Owned	Independent	Other
<ul style="list-style-type: none"> <li>Large payor-owned provider groups primarily pursuing payor-agnostic strategy</li> <li>Minimal recent platform integration</li> <li>Focus on acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>ApolloMed, Clover Health, Oak Street Health, One Medical and Signify Health are publicly traded</li> <li>Other entrants are eyeing access to public markets</li> </ul>	<ul style="list-style-type: none"> <li>Several platforms considering strategic alternatives, e.g., PMA, Millennium, Genuine Health</li> <li>New platforms continue to enter the market</li> <li>Increased competition</li> </ul>	<ul style="list-style-type: none"> <li>Continued investment by sponsors and payors into cost management tools and services</li> <li>Other value-based enablers such as Agilon are partnering with large multi-specialty groups to help take risk</li> </ul>

# Outstanding Shares Explained

**44.2M<sup>(1)</sup>**

Expected shares outstanding to be used to calculate GAAP EPS for 2Q 2021<sup>(2)</sup>



**10.7M**

Treasury shares (owned by Allied Pacific IPA) after Allied Pacific IPA's in-kind dividend in December 2020 and SPA in March 2021



**54.9M**

Total issued and outstanding shares as of 4/1/2021

In December 2020, approx. 5 million of Allied Pacific IPA's shares of ApolloMed common stock were distributed through an in-kind dividend on a pro rata basis to Allied Pacific IPA's individual shareholders. In addition, in March 2021, Allied Pacific IPA entered into a Stock Purchase Agreement ("SPA") with a non-related third party for the sale of approx. 1.6 million shares of ApolloMed common stock.

As a result, the number of shares outstanding used to calculate EPS will increase in future periods but will be offset by a corresponding proportionate increase in net income attributable to ApolloMed as a result of this transaction. As a result, the Company does not expect this distribution (or future similar distributions) to have a material impact on GAAP EPS.

The remaining approx. 10.7 million shares of ApolloMed common stock held by Allied Pacific IPA will continue to be treated as treasury stock and therefore will not be included in shares outstanding for GAAP EPS calculation purposes.



(1) The number of weighted average shares used to calculate EPS for the year ended December 31, 2020, was approximately 37.4 million.  
 (2) Based upon information publicly available as of 4/1/2021.

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# Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(\$ in millions)

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



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# TTM EBITDA Reconciliation

(\$ in millions)

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

## Guidance Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(\$ in millions)

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

# 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.

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## 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



# apollomed

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