

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): June 22, 2021

APOLLO MEDICAL HOLDINGS, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37392
(Commission File
Number)

95-4472349
(I.R.S. Employer
Identification No.)

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 June 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](#)

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

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.

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: June 22, 2021

By: /s/ Thomas S. Lam
Name: Thomas S. Lam, M.D., M.P.H.
Title: Co - Chief Executive Officer & President



Apollo Medical Holdings

(NASDAQ:AMEH)

Powered by Technology.
Built by Doctors.
For Patients.



June 2021

Forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements include any statements about the Company's business, financial condition, operating results, plans, objectives, expectations and intentions, expansion plans, integration of acquired companies and any projections of earnings, revenue, EBITDA, Adjusted EBITDA or other financial items, such as the Company's projected capitation and future liquidity, and may be identified by the use of forward-looking terms such as "anticipate," "could," "can," "may," "might," "potential," "predict," "should," "estimate," "expect," "project," "believe," "plan," "envision," "intend," "continue," "target," "seek," "will," "would," and the negative of such terms, other variations on such terms or other similar or comparable words, phrases or terminology. Forward-looking statements reflect current views with respect to future events and financial performance and therefore cannot be guaranteed. Such statements are based on the current expectations and certain assumptions of the Company's management, and some or all of such expectations and assumptions may not materialize or may vary significantly from actual results. Actual results may also vary materially from forward-looking statements due to risks, uncertainties and other factors, known and unknown, including the risk factors described from time to time in the Company's reports to the U.S. Securities and Exchange Commission (the "SEC"), including without limitation the risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and subsequent Quarterly Reports on Form 10-Q.

Because the factors referred to above could cause actual results or outcomes to differ materially from those expressed or implied in any forward-looking statements, you should not place undue reliance on any such forward-looking statements. Any forward-looking statements speak only as of the date of this presentation and, unless legally required, the Company does not undertake any obligation to update any forward-looking statement, as a result of new information, future events or otherwise.

Company overview

Apollo Medical Holdings, Inc. ("ApolloMed") is a leading physician-centric, technology-powered, risk-bearing healthcare company. Leveraging its proprietary end-to-end technology solutions, ApolloMed operates an integrated healthcare delivery platform that enables providers to successfully participate in value-based care arrangements, thus empowering them to deliver high-quality care to patients in a cost-effective manner.

- 25+ years of operation
- 7,000+ contracted physicians
- 12 managed IPAs
- 1.1+ million managed lives

ApolloMed At-A-Glance

Ticker	NASDAQ: AMEH
Headquarters	Alhambra, California
Employees <small>(as of 12/31/2020)</small>	630
Recent Stock Price <small>(as of 6/18/2021)</small>	\$53.47
Market Cap <small>(as of 6/18/2021)</small>	\$2.9 billion
Common Shares Outstanding <small>(as of 4/29/2021)</small>	55.0 million
Book Value Per Common Share	\$6.36
TTM Revenues	\$698 million

Information as of 3/31/2021 unless otherwise noted



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U.S. healthcare landscape is rapidly moving towards value-based care



CMS, COVID-19, payer contracting, and focus on quality while lowering total cost are driving shift in healthcare

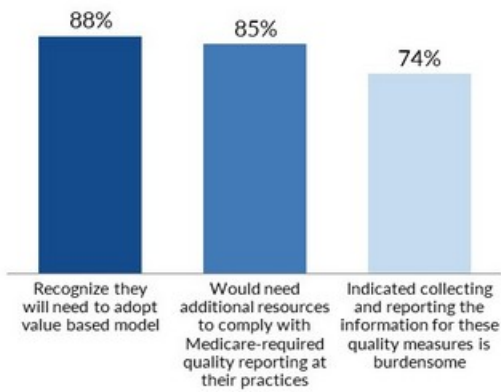


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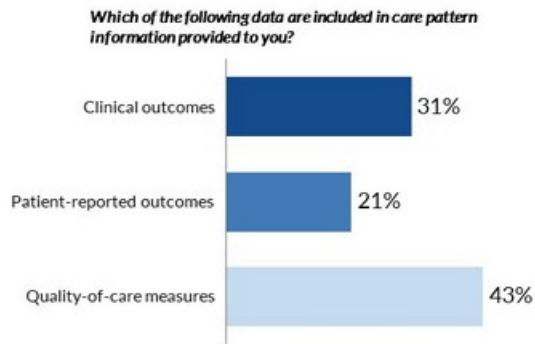
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Providers recognize the criticality of value-based care, but do not feel equipped to successfully navigate its complexities

Physicians recognize need, but have concerns on implementing

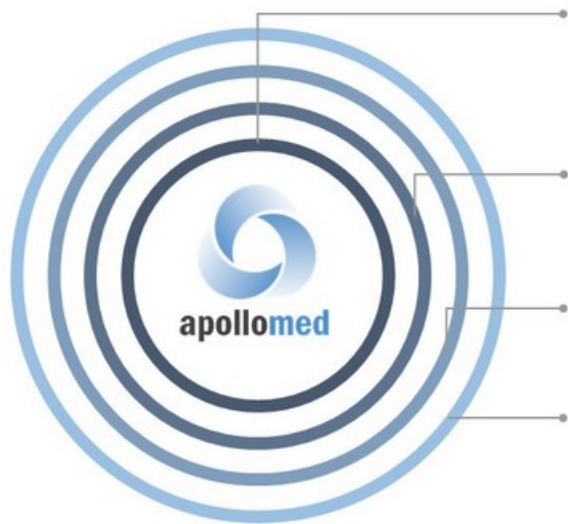


Majority of providers lack access to critical data



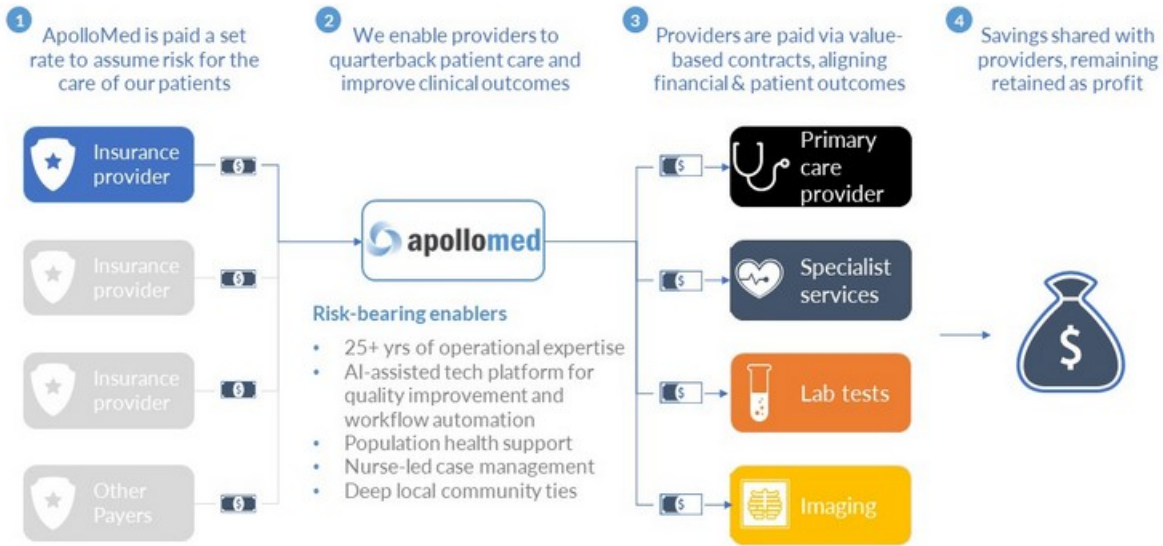
Source: AMA Survey, 2019. Deloitte physician survey, 2018.

Enter ApolloMed: a pure-play value-based care platform that empowers physicians



- Enables providers to successfully take risk**
 - We believe that providers are the most suited to drive patient behavior, outcomes, and therefore total cost of care
 - We enable and onboard providers at scale to succeed in value-based care arrangements, aligning financial and clinical outcomes
 - Our NGACO offers high quality care with proven savings
- Driven by leading, proprietary technology platform**
 - Physicians and staff are backed by our integrated healthcare management and care delivery platform
 - Growing provider base drives data network effects which continuously improve our tech platform
- Champions quality outcomes and population health**
 - Physicians are supported with quality-based decision support tools and nurse-led teams enabled by our tech platform to ensure our patients receive the highest standards of care
- Provides scalable value-based care services**
 - Administrative functions such as claims, authorizations, member eligibility, network management, and more are managed centrally and backed by automation to allow healthcare providers to focus on the truly complex processes

We act as a “single-payer” and assume risk for comprehensive patient care



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We have established long-term relationships with a diversified payer mix

15
years

Average tenure with key payers

<15%
total net revenue

Contribution from each top payer

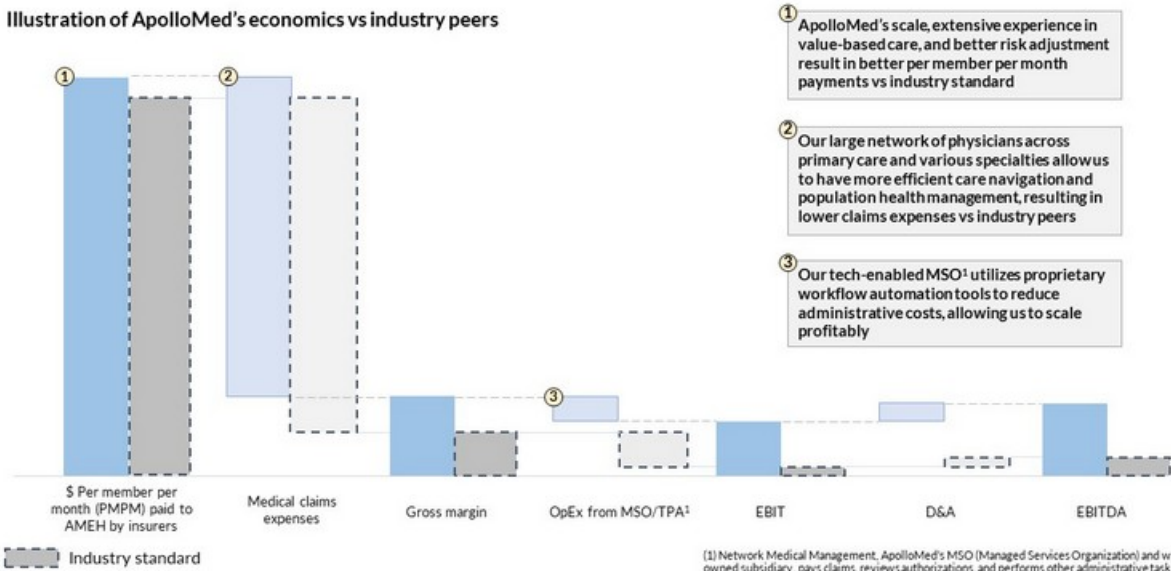


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ApolloMed is profitable with attractive unit economics...

Illustration of ApolloMed's economics vs industry peers

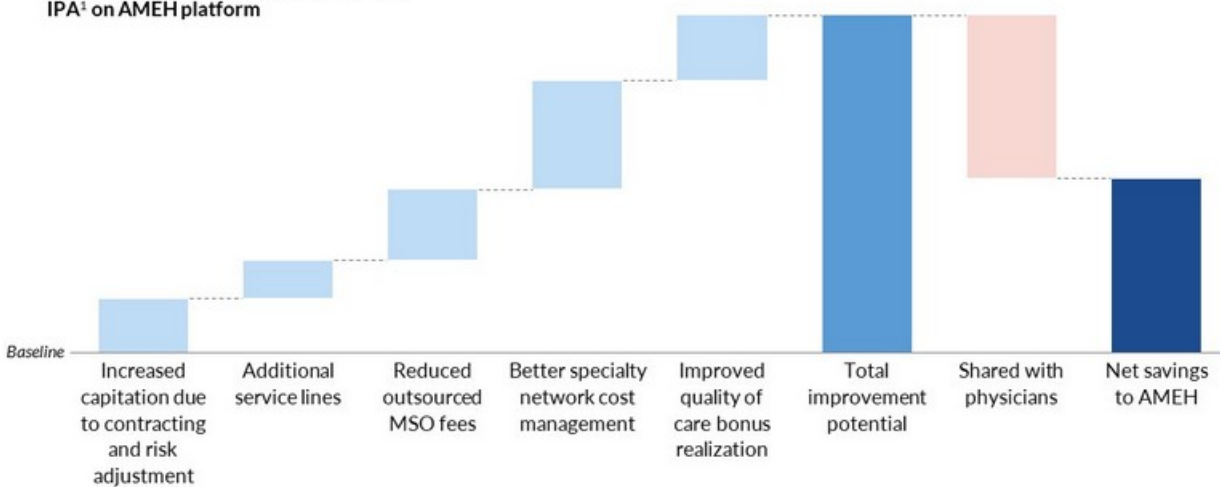


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(1) Network Medical Management, ApolloMed's MSO (Managed Services Organization) and wholly owned subsidiary, pays claims, reviews authorizations, and performs other administrative tasks on behalf of its managed and consolidated IPAs.

...and we consistently create additional value as we grow by scaling revenue and cost reduction drivers

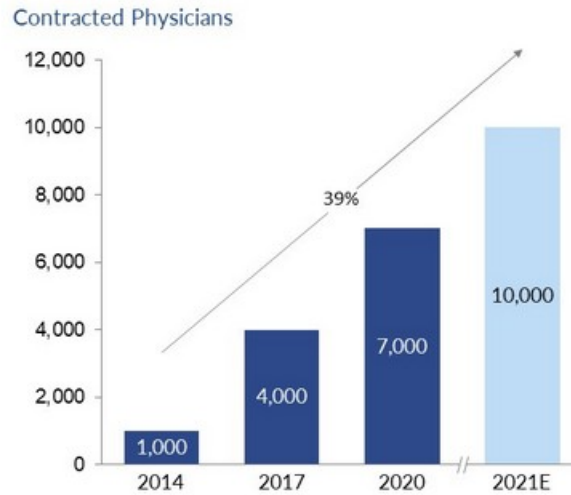
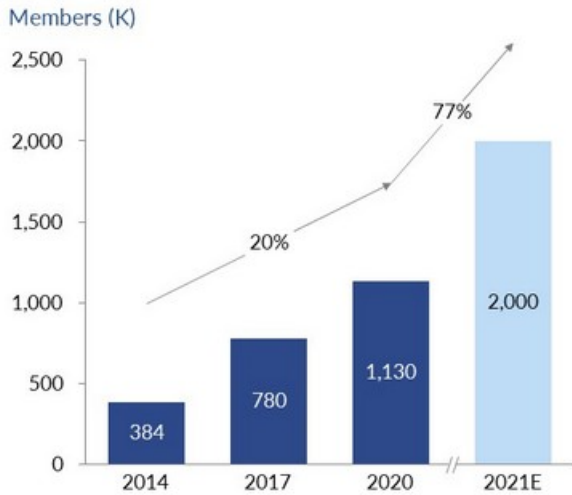
Illustration of potential value creation for IPA¹ on AMEH platform



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(1) IPA: Independent Practice/Physician Association

In addition to having a proven model of consistent growth across our members and physicians...



...our Next-Gen ACO has demonstrated sustainable success, proving our ability to deliver savings and quality in value-based agreements

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



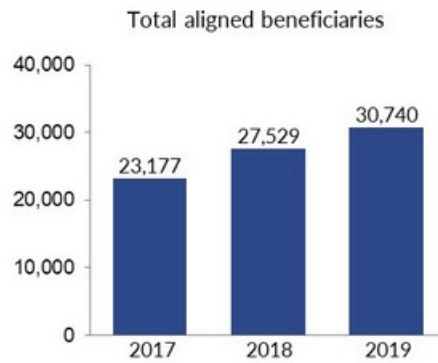
Gross savings \$



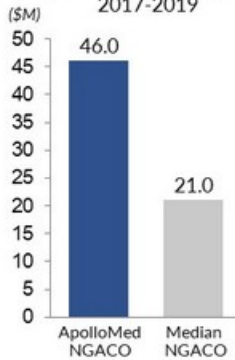
Gross savings %

Quality score: 95.81

Average QS: 93.73



Total benchmark expenditures less total aligned beneficiary expenditures, 2017-2019



Source: CMS Innovation Center data.

ApolloMed's large provider network and proprietary tech platform drive a virtuous cycle, powering growth and improving patient outcomes

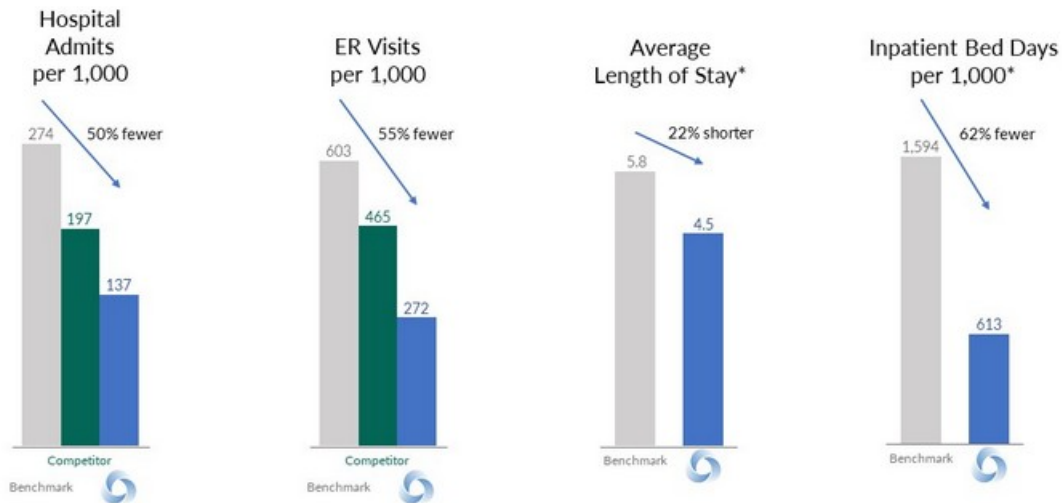


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Platform enables demonstrable improved outcomes for members

Medicare



All information provided is 2019 data unless otherwise noted. Sources: CMS, Chronic Conditions Data Warehouse (CCW), competitors' IR, and internal figures

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*Competitor did not provide metrics for average length of stay and inpatient bed days per 1,000.

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ApolloMed engine driven by our proprietary tech platform

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



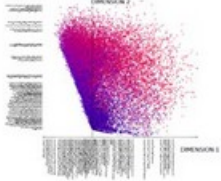


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Technology drives operational and clinical efficiency

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

Automated medical claims adjudication	Utilization management automation	Population health and provider incentive platform
 <ul style="list-style-type: none"> Have processed >4 million claims with no human intervention across 12 IPAs and all lines of business Saved >30,000 hours of manual claims examiner effort 	<ul style="list-style-type: none"> Have processed >200,000 authorization requests with no human intervention across 12 IPAs and all lines of business Saved thousands of hours of human utilization management examiner effort 	 <ul style="list-style-type: none"> Real-time value-based care KPIs Real-time, actionable notifications with incentives driving provider behavior Machine-learning model for population risk stratification



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The Market Opportunity

ApolloMed is at the intersection of provider services and healthcare technology, uniquely positioning it to grow rapidly



ApolloMed is executing a clear growth strategy

Consolidate additional IPAs and enter new markets and geographies

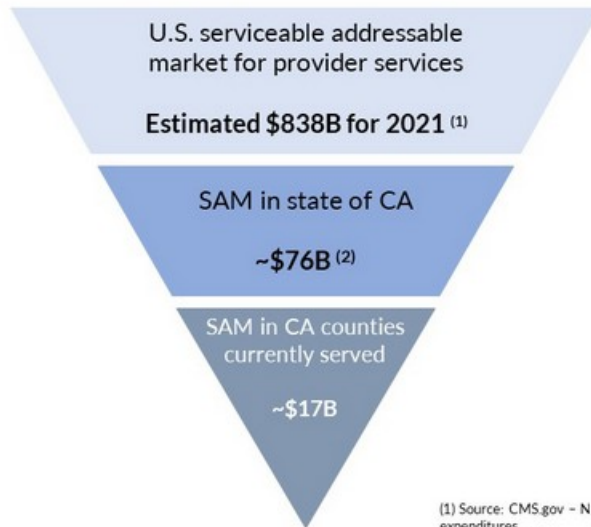
Build on ACO success and participate in additional Innovation Models

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

A significant market opportunity in provider services



(1) Source: CMS.gov - NHE Fact Sheet, physician and clinical services expenditures
(2) Source: CHCF.org - California Personal Health Core Spending, 2017 - Quick Reference Guide



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Although we have established a strong foothold in CA and are already in 9 of the top 25 counties by population in the U.S...



In discussions with other groups confidentially



■ Served by ApolloMed IPAs
 ■ Served by ApolloMed ACO
 ■ Planned expansion



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...we are actively pursuing growth opportunities to capture greater share of the \$3.6T provider services market opportunity



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 – Payer contracts cannot be amended immediately

<p>ALPHA CARE MEDICAL GROUP</p>	<p>Allied Pacific IPA acquired for approx. \$45M in May 2019</p> <p>~170,000 members 340+ primary care physicians</p>	<p>ACCOUNTABLE HEALTH CARE IPA</p> <p>"A Healthcare Partnership you can depend on."</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>
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Strategic investment in CAIPA MSO – New York

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

January 26, 2021

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



- 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")



Private practice providers covering over 70 specialties



Managed lives



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ApolloMed has overwhelming advantages and management will capitalize

Profitable & proven model with predictable, attractive unit economics and upside from risk-sharing

Scalable and repeatable playbook for hypergrowth

Industry-leading technology driven by data moat

Flywheel effect that exponentially builds on substantial lead

Large and rapidly growing market opportunity in value-based care



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Industry peers



Ticker	NASDAQ: AMEH	NASDAQ: PRVA	NYSE: AGL	NYSE: CANO	NASDAQ: CLOV	NYSE: OSH	NASDAQ: ONEM
Business	Leading physician-centric, technology-powered healthcare management company focused on enabling providers in the successful delivery of value-based care	Technology-driven, national physician enablement company that collaborates with medical groups, health plans and health systems	Empowers community-based physicians with resources and expertise they need to unlock value-based healthcare delivery	Leading value-based primary care provider for seniors and underserved communities	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	721,000	165,300	117,000	130,000	109,400	598,000
Market Cap	\$2.9B	\$4.2B	\$15.0B	\$7.0B	\$6.0B	\$13.7B	\$4.7B
TTM Revenue	\$698.2M	\$817.7M	\$1.3B	\$974.2M	\$707.7M	\$977.7M	\$422.8M
EV/Revenue	4.4 ⁽³⁾	5.1	11.2	7.1	7.6	13.9	10.7
TTM EBITDA	\$218.9M ⁽¹⁾⁽²⁾	\$28.7M	(\$38.2M)	(\$20.0M)	(\$52.8M)	(\$222.3M)	(\$55.1M)
EV/EBITDA	13.9 ⁽³⁾	145.4	(391.7)	(347.6)	(101.3)	(61.2)	(81.9)

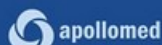
Note: Peer stats sourced from Yahoo Finance, TTM info is as of 3/31/2021, or from details published by peer IR teams

(1) Refer to TTM EBITDA reconciliation on slide 40

(2) Includes approx. \$99.6M gain on sale of a health plan and approx. \$20.0M in savings from medical claims in expenses resulting from decreased utilization during the COVID-19 pandemic

(3) See "Current Capitalization" (slide 32) for more information.

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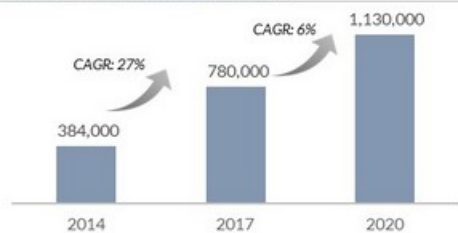
Financial Overview

A History of Profitable Growth

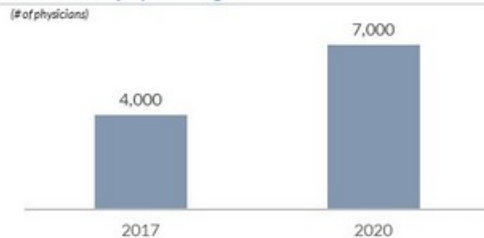


Historical financial profile

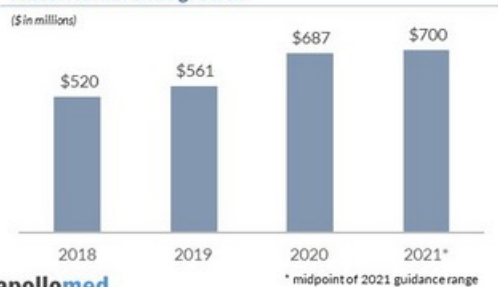
Consistent membership growth



Contracted physicians growth



Historical revenue growth



Historical net income attributable to ApolloMed growth



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Summary of selected financial results

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



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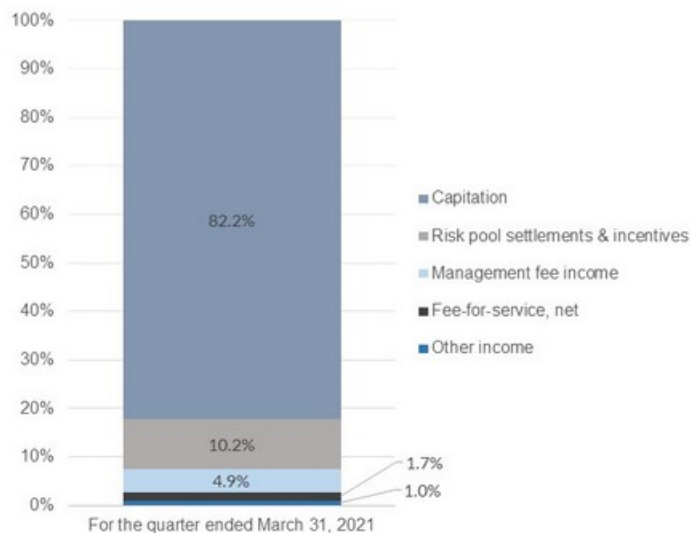
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2021 guidance

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

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

Revenue breakdown



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

Balance sheet highlights

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

Current capitalization

<i>(figures in millions, except per share price)</i>	
Recent share price (as of 6/18/2021)	\$ 53.47
Common shares outstanding	55.0
Market capitalization	\$ 2,940.8
Plus: Total bank debt	243.3
Less: Cash and cash equivalents ⁽¹⁾	(140.9)
Implied enterprise value	\$ 3,043.2
Notes:	
Availability on revolving credit facility	\$ 25.0

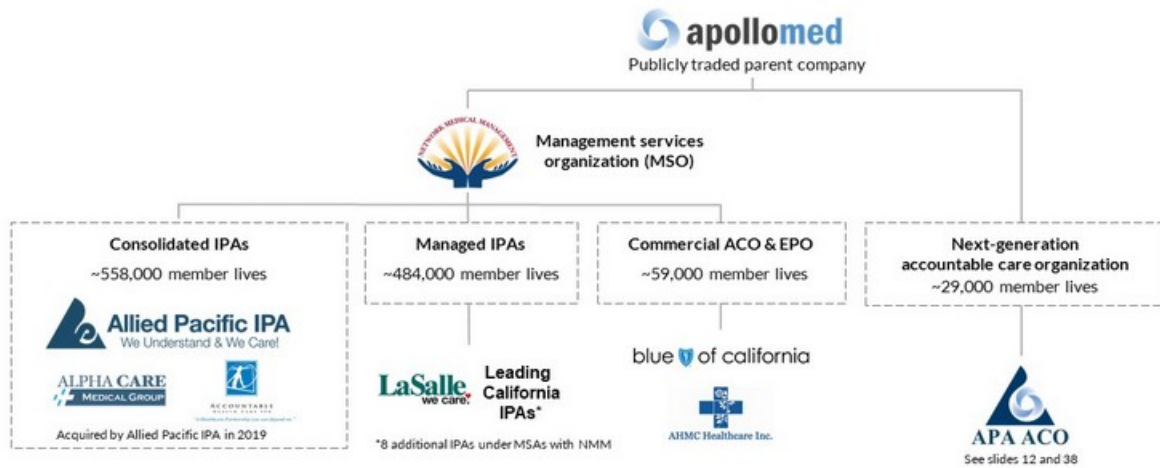
Note: Balance sheet data as of 3/31/2021
 (1) Excludes restricted cash of \$65mm.

Appendix



Organizational overview

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



Management – A team of industry veterans



Kenneth Sim, MD



Thomas S. Lam, MD, MPH



Brandon Sim



Eric Chin



Albert Young, MD, MPH



Jeremy Jackson, MD

Executive Chairman & Co-CEO	Co-CEO & President	Chief Operating Officer & Chief Technology Officer	Chief Financial Officer	Chief Administrative Officer	Chief Quality Officer
<ul style="list-style-type: none"> Joined AMEH in 2006 Currently serves as Chairman of Allied Pacific IPA, Chairman of NMM since 2013 and director of NMM since 2006 Fellow of the American College of Surgeons General surgeon 	<ul style="list-style-type: none"> Joined AMEH in 2005 AMEH director since 2016 15 years as CEO and director of NMM Chairman & CEO of APC from 2006-2014 30 years as a practicing physician/gastroenterologist 	<ul style="list-style-type: none"> Joined AMEH in 2019 Quantitative Researcher at Citadel Securities and CTO at Theratech B.A. in Statistics and Physics and M.S. in Computer Science and Engineering from Harvard University 	<ul style="list-style-type: none"> Joined AMEH in 2018 Also CFO of NMM 17+ years of financial experience B.A. from UCLA, licensed CPA 	<ul style="list-style-type: none"> Joined AMEH in 2006 25+ years as pulmonology specialist M.D. from West Virginia University School of Medicine and a Master's in Public Health from UCLA 	<ul style="list-style-type: none"> Joined AMEH in 2021 10 years in healthcare management consulting at BCG and as practicing physician M.D. from University of Michigan Medical School and B.A. in Biological Sciences from USC

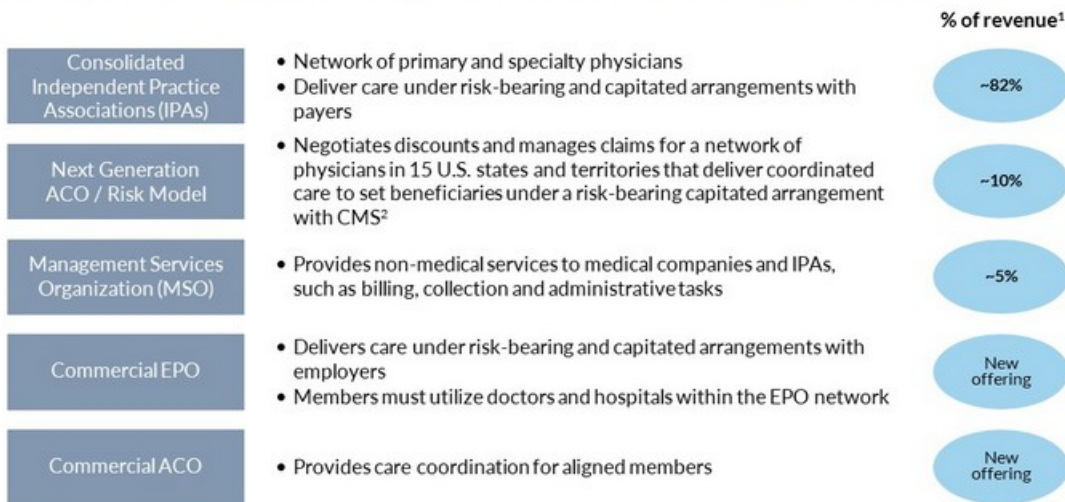


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Our service offerings & revenue model

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



1. For the first quarter ended 3/31/2021. 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







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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.

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



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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:



(\$ in millions)

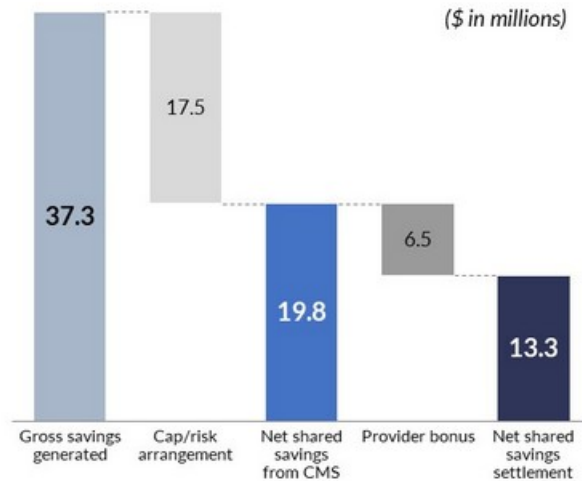


Gross Savings Amount



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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Reconciliation of net income to EBITDA and Adjusted EBITDA

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

TTM EBITDA reconciliation

<i>\$ in millions</i>	Q2 2020	Q3 2020	Q4 2020	Q1 2021	TTM 2021*
Net income	\$ 81.0	\$ 25.4	\$ 12.9	\$ 14.4	\$ 133.7
Interest expense	2.7	2.5	1.5	1.5	8.2
Interest income	(0.9)	(0.8)	(0.2)	(0.3)	(2.2)
Provision for income taxes	31.9	10.8	11.9	6.8	61.4
Depreciation and amortization	4.6	4.7	4.3	4.2	17.8
EBITDA	\$ 119.3	\$ 42.6	\$ 30.4	\$ 26.6	\$ 218.9
Loss (income) from equity method investments	(0.8)	(0.4)	(0.4)	0.7	(0.9)
Gain on sale of equity method investment	(99.6)	-	(0.2)	-	(99.8)
Other (income) expense	(1.3)	(0.1)	0.4	(1.3)	(2.3)
Provider bonus payments	2.0	6.5	-	-	8.5
Net loss adjustment for recently acquired IPAs	4.1	4.8	5.5	3.2	17.6
Adjusted EBITDA	\$ 23.7	\$ 53.4	\$ 35.7	\$ 29.2	\$ 142.0

* TTM 2021 ended March 31, 2021

Guidance reconciliation of net income to EBITDA and Adjusted EBITDA

\$ in millions	Three Months Ending June 30, 2021		Year Ending December 31, 2021	
	Low	High	Low	High
Net income	\$ 6.3	\$ 12.3	\$ 50.0	\$ 60.0
Interest expense	1.5	1.6	8.0	8.5
Interest income	(0.3)	(0.5)	(3.0)	(5.0)
Provision for income taxes	3.7	3.8	23.0	24.0
Depreciation and amortization	4.4	4.4	17.0	17.5
EBITDA	\$ 15.6	\$ 21.6	\$ 95.0	\$ 105.0
Income from equity method investments	-	-	(0.5)	(1.0)
Provider bonus payments	-	-	6.0	6.0
Net loss adjustment for recently acquired IPAs	4.8	2.8	14.5	15.0
Adjusted EBITDA	\$ 20.4	\$ 24.4	\$ 115.0	\$ 125.0

Use of non-GAAP financial measures

This presentation contains the non-GAAP financial measures Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA, of which the most directly comparable financial measure presented in accordance with GAAP is net (loss) income. These measures are not in accordance with, or are an alternative to, U.S. generally accepted accounting principles ("GAAP"), and may be different from other non-GAAP financial measures used by other companies. ApolloMed uses Adjusted EBITDA as a supplemental performance measure of its operations, for financial and operational decision-making, and as a supplemental means of evaluating period-to-period comparisons on a consistent basis. Adjusted EBITDA is calculated as earnings before interest, taxes, depreciation, and amortization, excluding losses from equity method investments provide bonus payments, impairment of intangibles, provision of doubtful accounts and other income earned that is not related to ApolloMed's normal operations. Adjusted EBITDA also excludes non recurring items, including the effect on EBITDA of certain recently acquired IPAs.

ApolloMed believes the presentation of these non-GAAP financial measures provides investors with relevant and useful information as it allows investors to evaluate the operating performance of the business activities without having to account for differences recognized because of non-core and non-recurring financial information. When GAAP financial measures are viewed in conjunction with non-GAAP financial measures, investors are provided with a more meaningful understanding of ApolloMed's ongoing operating performance. In addition, these non-GAAP financial measures are among those indicators ApolloMed uses as a basis for evaluating operational performance, allocating resources and planning and forecasting future periods. Non-GAAP financial measures are not intended to be considered in isolation, or as a substitute for, GAAP financial measures. To the extent this release contains historical or future non-GAAP financial measures, ApolloMed has provided corresponding GAAP financial measures for comparative purposes. Reconciliation between certain GAAP and non-GAAP measures is provided above.

Outstanding shares explained

44.1M⁽¹⁾

Expected shares outstanding to be used to calculate GAAP EPS for 2Q 2021 ⁽²⁾

+

10.9M

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

=

55.0M

Total issued and outstanding shares as of 4/29/2021

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 sold approx. 1.6 million shares of ApolloMed common stock to a non-related third party.

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. 10.9 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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Key acronyms

- **ACO:** Accountable Care Organization
- **AIPBP:** All-Inclusive Population-Based Payments
- **APC:** Allied Physicians of California IPA
- **CMMI:** Center for Medicare and Medicaid Innovation
- **CMS:** Centers for Medicare & Medicaid Services
- **DME:** Durable Medical Equipment
- **Health Plan / Payers:** Health Insurance Companies
- **HMO:** Health Maintenance Organization
- **IPA:** Independent Practice Association
- **NCI:** Non-Controlling Interest
- **NMM:** Network Medical Management, Inc.
- **MSA:** Master Service Agreement
- **MSO:** Management Services Organization
- **NGACO:** Next Generation Accountable Care Organization
- **PCP:** Primary Care Physician
- **PMPM:** Per Member Per Month
- **SNF:** Skilled Nursing Facility
- **VIE:** Variable Interest Entity



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