

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 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): September 9, 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 communication 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)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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.

**Item 7.01 Regulation FD Disclosure.**

Apollo Medical Holdings, Inc. (the "Company") is scheduled to attend investors meetings at the Colliers 2021 Institutional Investor Conference on September 9, 2021 and Wells Fargo 2021 Virtual Healthcare Conference on September 10, 2021, 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.

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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: September 9, 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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# Apollo Medical Holdings

(NASDAQ:AMEH)

Powered by Technology.

Built by Doctors.

For Patients.



September 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

Ticker	NASDAQ: AMEH
Headquarters	Alhambra, California
Employees <small>(as of 12/31/2020)</small>	630
Recent Stock Price <small>(as of 9/2/2021)</small>	\$79.49
Market Cap <small>(as of 9/2/2021)</small>	\$4.4 billion
Common Shares Outstanding <small>(as of 7/28/2021)</small>	55.3 million
Book Value Per Common Share	\$7.31
TTM Revenues	\$709 million

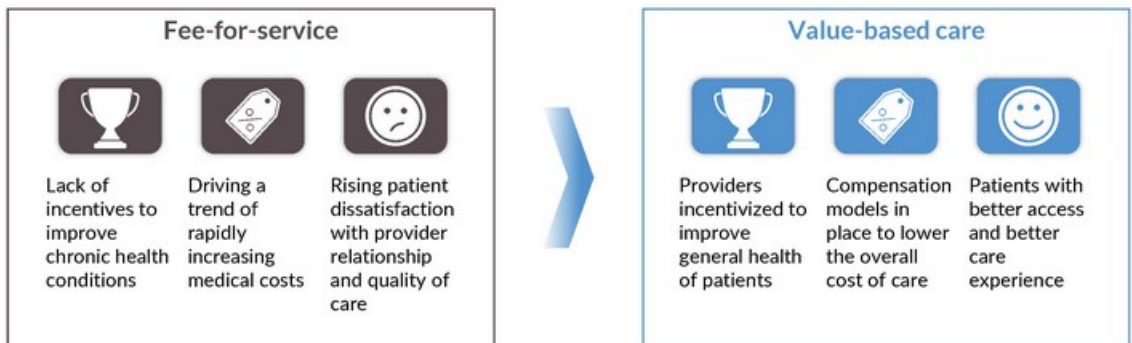
Information as of 6/30/2021 unless otherwise noted



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3

## 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

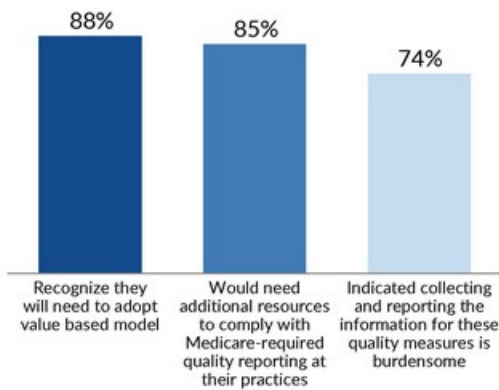


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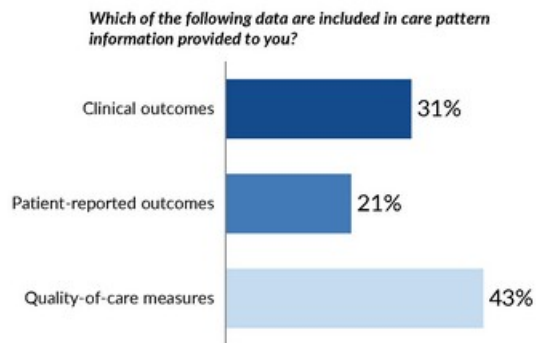
4

# 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

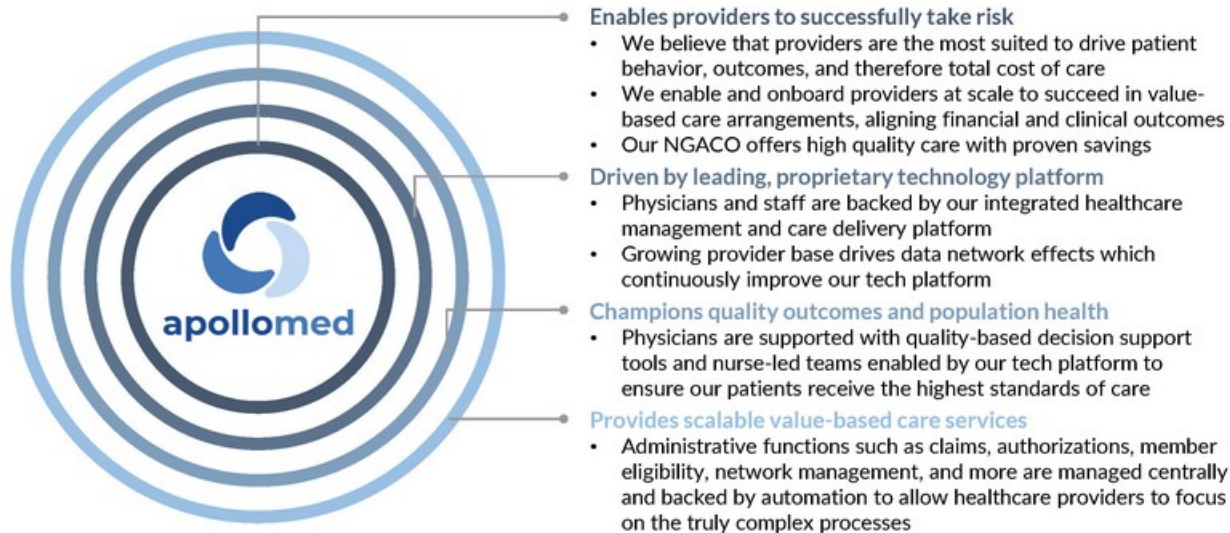


Sources: AMA Survey, 2019. Deloitte physician survey, 2018.

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5

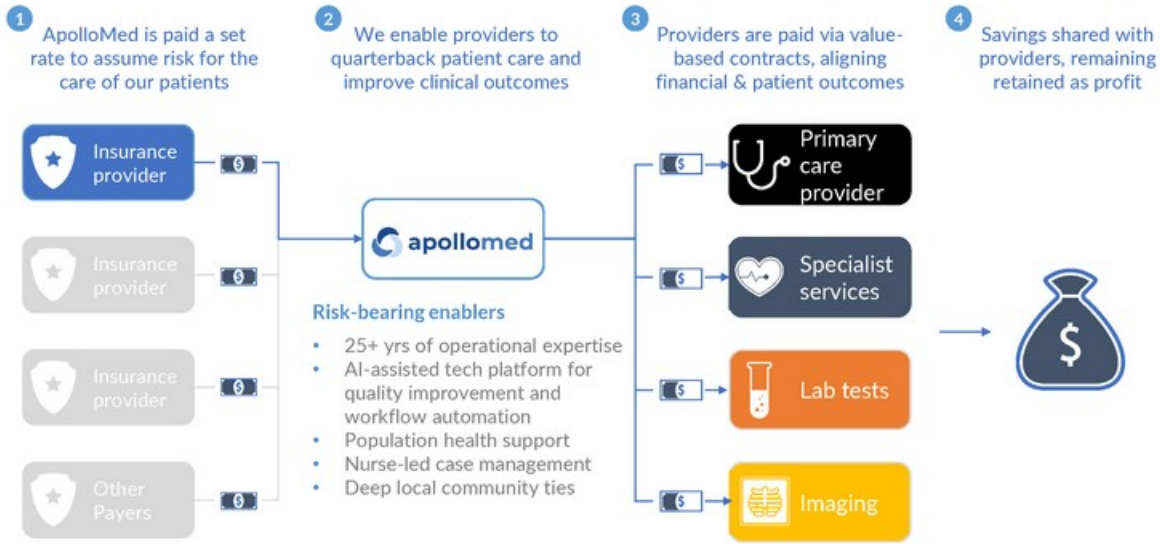
## Enter ApolloMed: a pure-play value-based care platform that empowers physicians



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6

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



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7

## 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

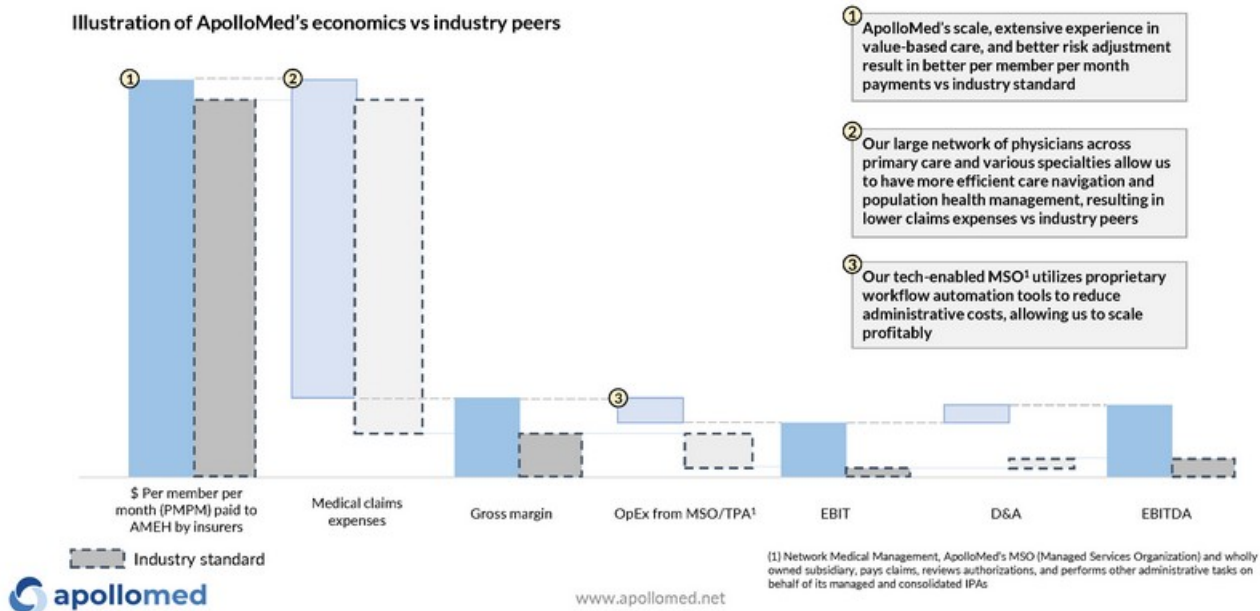


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8

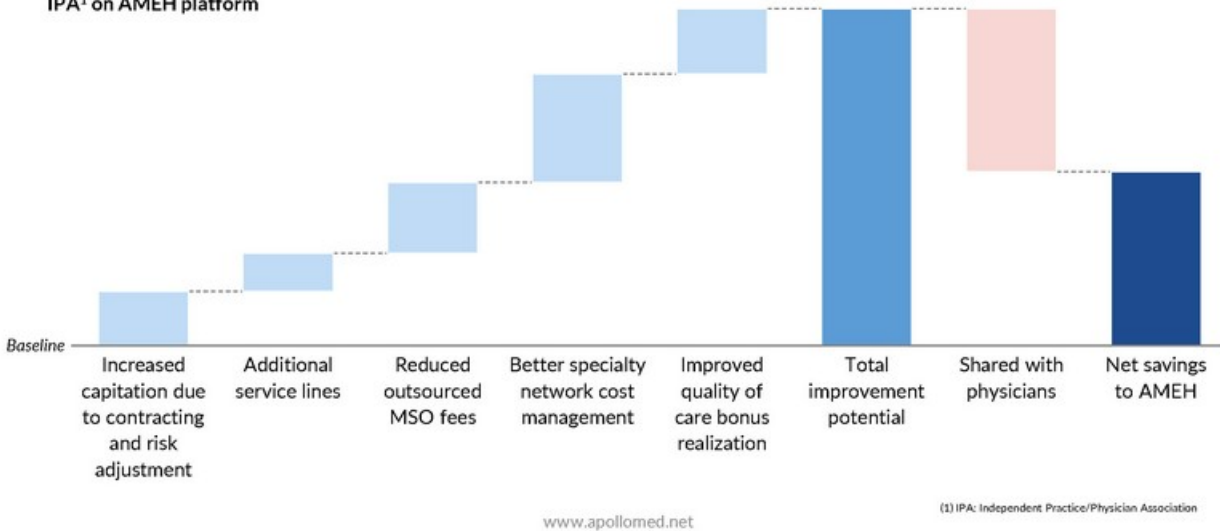
# ApolloMed is profitable with attractive unit economics...

Illustration of ApolloMed's economics vs industry peers



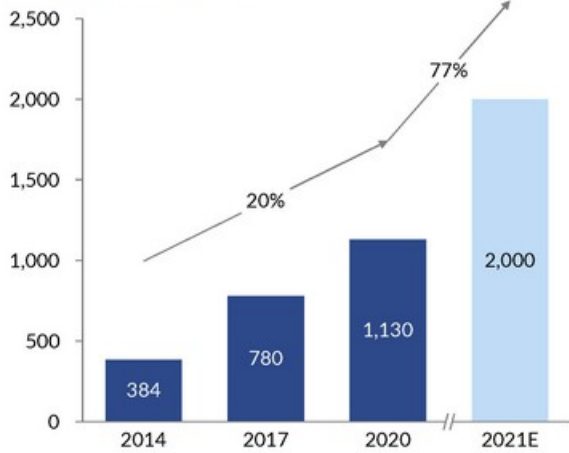
# ...and we consistently create additional value as we grow by scaling revenue and cost reduction drivers

Illustration of potential value creation for IPA<sup>1</sup> on AMEH platform

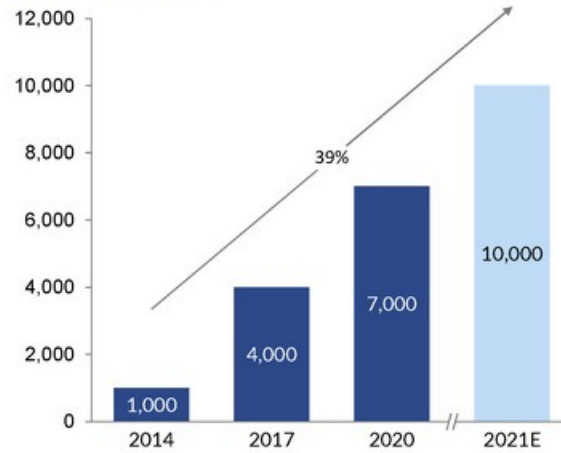


In addition to having a proven model of consistent growth across our members and physicians...

Members (in thousands)



Contracted 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 \$



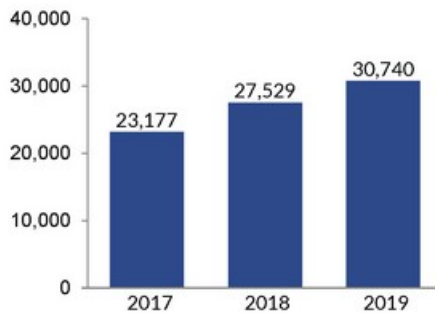
Gross savings %

Quality score: 95.81

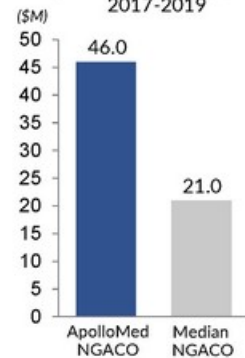
Average QS: 93.73

Source: CMS Innovation Center data.

Total aligned beneficiaries



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





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

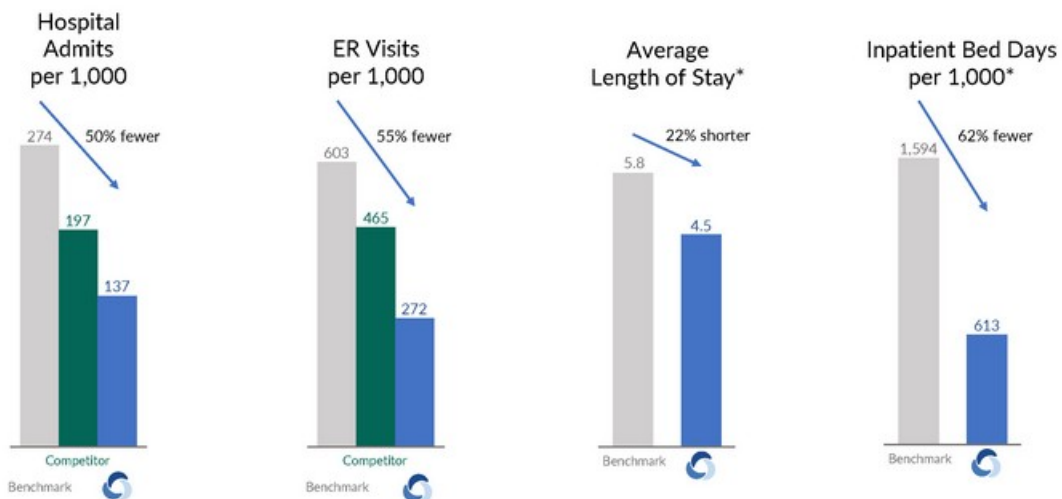


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13

## Platform enables demonstrable improved outcomes for members

### Medicare



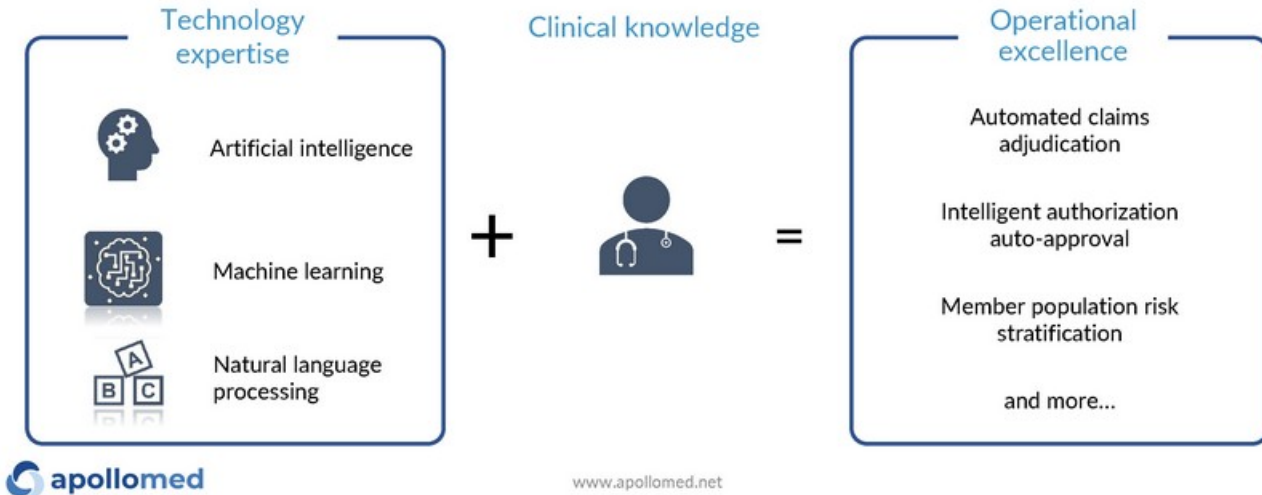
All information provided is 2019 data unless otherwise noted. Sources: CMS, Chronic Conditions Data Warehouse (CCW), competitors' IR, and internal figures

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

14



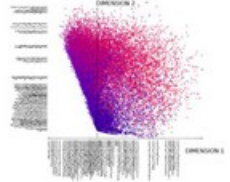
# ApolloMed engine driven by our proprietary tech platform

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



## 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"> <li>Have processed &gt;4 million claims with no human intervention across 12 IPAs and all lines of business</li> <li>Saved &gt;30,000 hours of manual claims examiner effort</li> </ul>	<ul style="list-style-type: none"> <li>Have processed &gt;200,000 authorization requests with no human intervention across 12 IPAs and all lines of business</li> <li>Saved thousands of hours of human utilization management examiner effort</li> </ul>  <p><a href="http://www.apollomed.net">www.apollomed.net</a></p>	 <ul style="list-style-type: none"> <li>Real-time value-based care KPIs</li> <li>Real-time, actionable notifications with incentives driving provider behavior</li> <li>Machine-learning model for population risk stratification</li> </ul>

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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

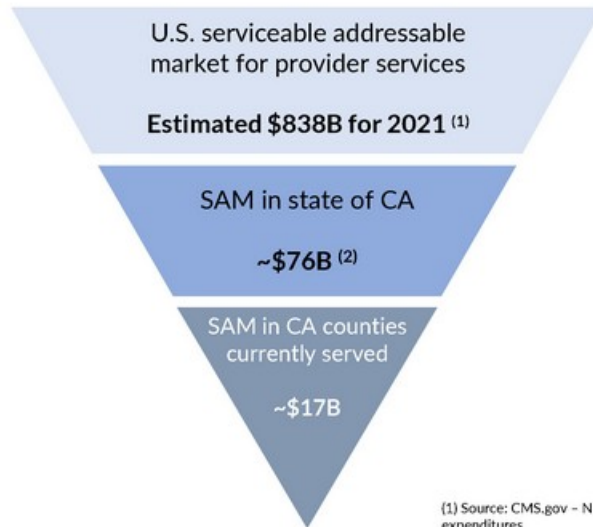
Continue to invest in technology, preventive care, and automation to further drive clinical care capabilities and margin expansion

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...



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



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(1) Source: CMS.gov - NHE Fact Sheet, physician and clinical services expenditures  
 (2) Source: Caltaneo & Stroud, Inc. - The Active California Medical Group Market report, March 31, 2019.  
 (3) Source: Caltaneo & Stroud, Inc. - Total of Medical Groups HMO Enrollment by Lines Business, 2004-2018, March 15, 2019.

21

## 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>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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22

## Strategic investment in CAIPA MSO – New York

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



- 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")

Transaction closed in August 2021, ApolloMed owns 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



Private practice providers covering over 70 specialties



Managed lives



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23

## 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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24

## Industry peers

	 apollomed	 PRIVIA HEALTH	 agilon health	 CanoHealth	 Clover Health	 OAK STREET HEALTH	 one medical
Ticker	NASDAQ: AMEH	NASDAQ: PRVA	NYSE: AGL	NYSE: CANO	NASDAQ: CLOV	NYSE: OSH	NASDAQ: ONEM
<b>Business</b>	Physician-centric, technology-powered healthcare company 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
<b>Members Served</b>	1,130,000	739,000	181,700	156,000	129,000	122,000	621,000
<b>Market Cap</b>	\$4.4B	\$3.4B	\$14.6B	\$6.5B	\$3.6B	\$11.9B	\$4.7B
<b>TTM Revenue</b>	\$708.6M	\$860.2M	\$1.5B	\$1.2B	\$948.1M	\$1.1B	\$465.2M
<b>EV/Revenue</b>	6.3 <sup>(1)</sup>	3.6	9.0	6.1	3.3	11.4	9.7
<b>TTM EBITDA</b>	\$189.6M <sup>(1)(2)</sup>	(\$170.8M)	(\$332.0M)	\$2.0M	(\$387.9M)	(\$296.0M)	(\$62.8M)
<b>EV/EBITDA</b>	23.7 <sup>(3)</sup>	(18.1)	(40.8)	3635.1	(7.9)	(42.3)	(72.1)
<b>2021 Revenue Guidance</b>	\$710M <sup>(4)</sup>	\$870M	\$1.815B	\$1.6B	\$1.45B	\$1.385B	\$480M
<b>2022 Revenue Consensus Estimates</b>	\$795.1M	\$985.2M	\$2.49B	\$2.55B	\$1.5B	\$2.15B	\$724.0M

Note: Peer stats sourced from Bloomberg. TTM info is as of 6/30/2021, or from details published by peer IR teams. 2021 net revenue guidance shown is midpoint of range provided.

(1) Refer to TTM EBITDA reconciliation on slide 40

(2) Includes approx. \$83.8M unrealized gain due to APC's investment in a payer partner that IPO'd on June 24, 2021.

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

(4) See "Updated 2021 guidance" (slide 29) for more information. Guidance does not consider any potential acquisitions or other major business transactions that may occur in 2021.

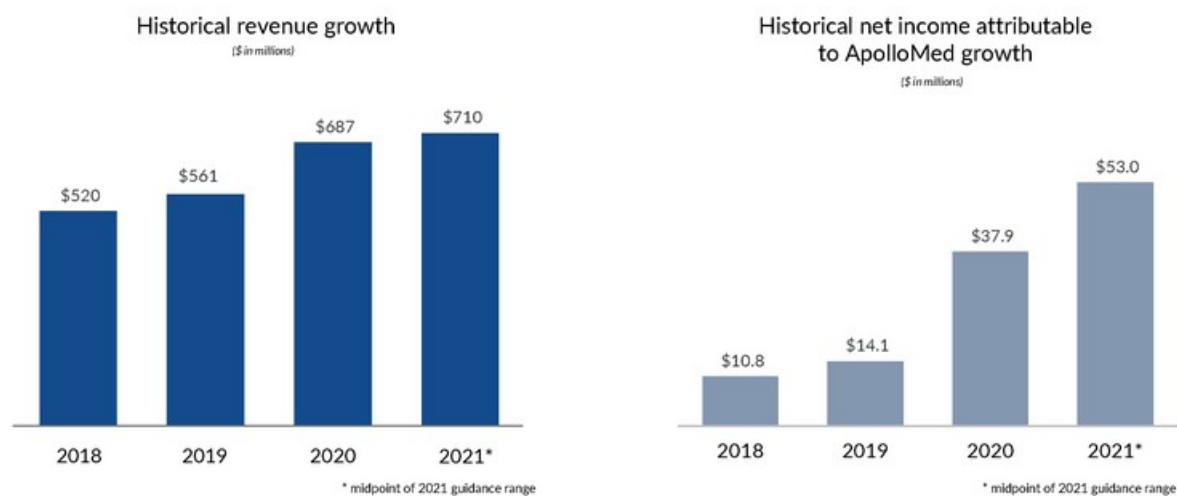
25

# Financial Overview

A History of Profitable Growth



## Historical financial profile



## Summary of selected financial results

\$ in 000s except per share data

	Q2 2021		Q2 2020		1H 2021		1H 2020	
<b>Revenue</b>								
Capitation, net	\$	144,550	\$	140,949	\$	289,290	\$	281,370
Risk pool settlements and incentives		16,214		12,003		34,224		23,239
Management fee income		8,143		8,690		16,693		17,505
Fee-for-service, net		4,621		2,270		7,707		5,697
Other income		2,110		1,257		3,782		2,463
<b>Total revenue</b>		<b>175,638</b>		<b>165,169</b>		<b>351,696</b>		<b>330,274</b>
Total expenses		154,650		152,263		308,926		313,003
<b>Income from operations</b>		<b>20,988</b>		<b>12,906</b>		<b>42,770</b>		<b>17,271</b>
<b>Net income</b>		<b>59,530</b>		<b>81,001</b>		<b>73,988</b>		<b>83,988</b>
Net income attributable to noncontrolling interest		46,872		73,957		48,179		72,892
<b>Net income attributable to ApolloMed</b>	\$	<b>12,658</b>	\$	<b>7,044</b>	\$	<b>25,809</b>	\$	<b>11,096</b>
<b>Earnings per share - diluted</b>	\$	<b>0.28</b>	\$	<b>0.19</b>	\$	<b>0.58</b>	\$	<b>0.30</b>



## Updated 2021 guidance

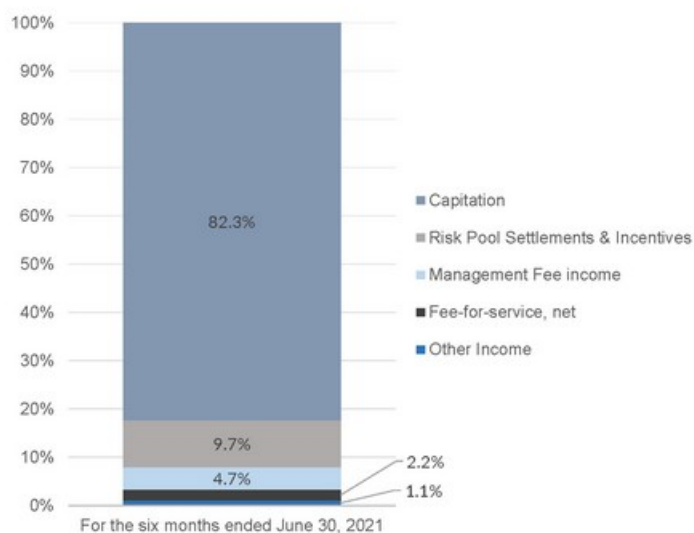
\$ in millions	2021 Guidance Range (as of March 10, 2021)	2021 Guidance Range (as of August 5, 2021)
Total Revenue	\$690.0-\$710.0	\$700.0-\$720.0
Net Income <sup>(1)</sup>	\$50.0-\$60.0	\$56.0-\$66.0
Net Income Attributable to ApolloMed	\$35.0-\$45.0	\$48.0-\$58.0
EBITDA <sup>(2)</sup>	\$95.0-\$105.0	\$100.0-\$119.0
Adjusted EBITDA <sup>(2)</sup>	\$115.0-\$125.0	\$120.5-\$130.5

(1) Updated net income and EBITDA forecast is a result of APC's investment in a payer partner that IPO'd on June 24, 2021. The revised net income and EBITDA guidance ranges assume the payer partner's closing share price of \$8.49 on August 3, 2021.

(2) 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

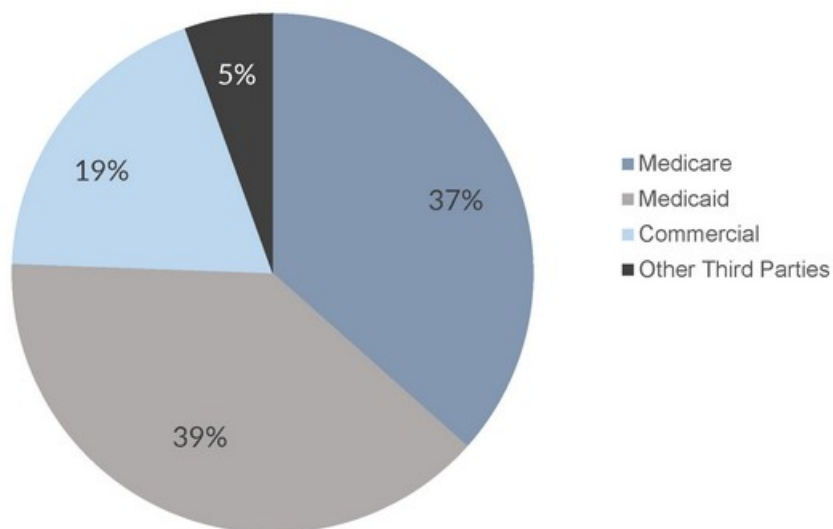


- A Capitation** - Capitated fees for medical services via direct arrangements with managed care providers. Typically pre-paid monthly based on number of enrollees
- B Risk pool settlements & incentives** - Full and shared risk capitation arrangements with certain health plans, local hospitals and Next 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



## Business mix by payer type

Q2 2021  
(% OF TOTAL REVENUE)



## Balance sheet highlights

<i>\$ in millions</i>	6/30/2021	12/31/2020	\$ Change	% Change
Cash and cash equivalents and investments in marketable securities	\$364.5	\$261.2	\$103.3	↑ 40%
Working capital	\$342.5	\$223.6	\$118.9	↑ 53%
Total stockholders' equity	\$404.6	\$330.9	\$73.7	↑ 22%

## Current capitalization

(figures in millions, except per share price)

Recent Share Price (as of 9w/2/2021)	\$	79.49
Common Shares Outstanding		55.3
<b>Market Capitalization</b>	<b>\$</b>	<b>4,395.8</b>
Plus: Total Bank Debt		187.6
Less: Cash and Cash Equivalents <sup>(1)</sup>		(88.4)
<b>Implied Enterprise Value</b>	<b>\$</b>	<b>4,495.0</b>
Notes:		
Letters of Credit Availability on Revolving Credit Facility	\$	25.0

Note: Balance sheet data as of 6/30/2021  
(1) Excludes restricted cash of \$88.9mm.



[www.apollomed.net](http://www.apollomed.net)

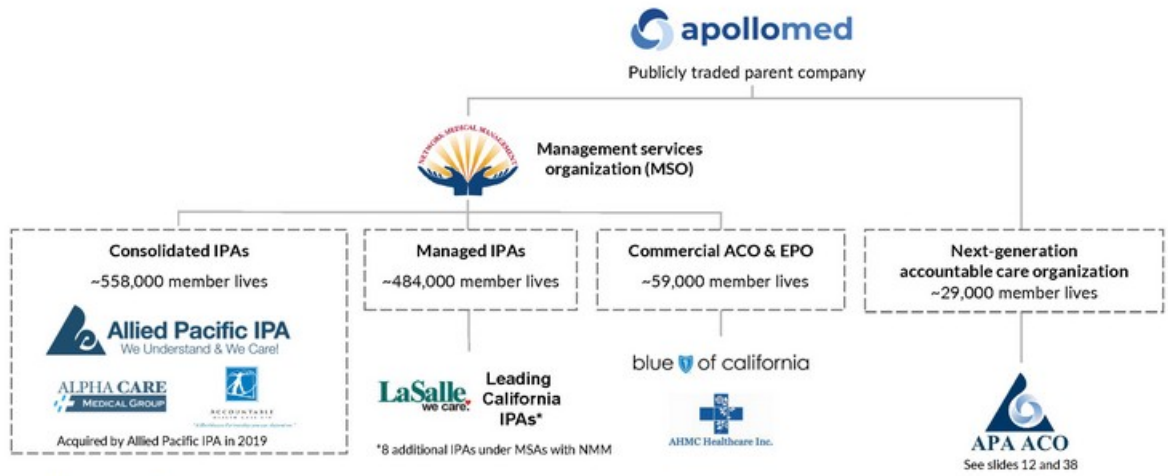
33

## Appendix



## 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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35

## 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"> <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 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>	<ul style="list-style-type: none"> <li>Joined AMEH in 2021</li> <li>10 years in healthcare management consulting at BCG and as practicing physician</li> <li>M.D. from University of Michigan Medical School and B.A. in Biological Sciences from USC</li> </ul>

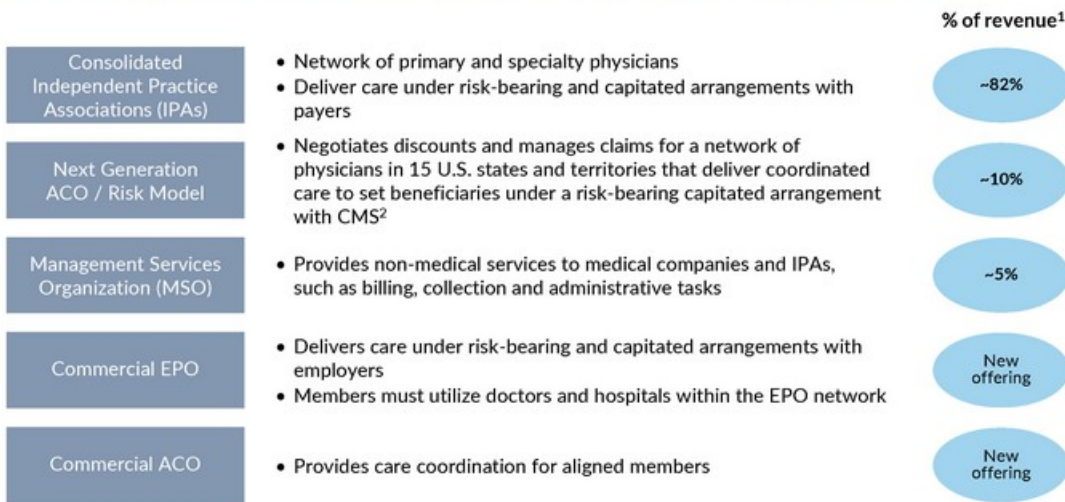


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36

# Our service offerings & revenue model

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



1. For the six months ended 6/30/2021. 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

## 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:

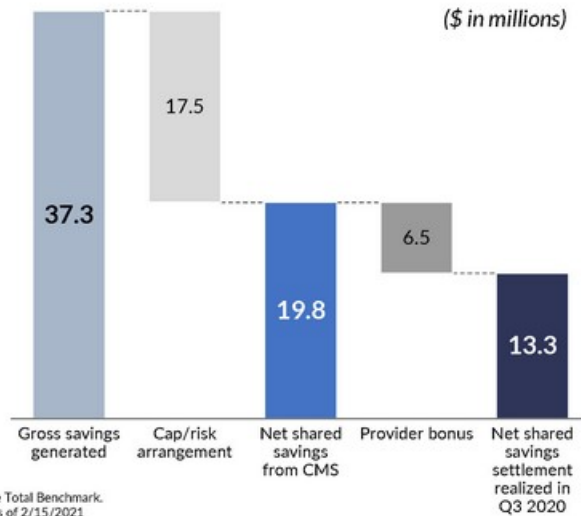


Gross Savings Amount



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



## Reconciliation of net income to EBITDA and Adjusted EBITDA

(\$ in millions)

	Q2 2021	Q2 2020	1H 2021	1H 2020
Net income	\$ 59.5	\$ 81.0	\$ 74.0	\$ 84.0
Interest expense	1.9	2.7	3.4	5.5
Interest income	(0.6)	(0.9)	(0.9)	(1.8)
Provision for income taxes	24.9	31.9	31.7	33.5
Depreciation and amortization	4.2	4.6	8.4	9.3
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 90.0</b>	<b>\$ 119.3</b>	<b>\$ 116.6</b>	<b>\$ 130.5</b>
Loss (income) from equity method investments	\$ 3.1	\$ (0.8)	\$ 3.8	\$ (2.9)
Gain on sale of equity method investment	-	(99.6)	-	(99.6)
Other income	(67.9)	(1.3)	(69.2)	(1.4)
Provider bonus payments	-	2.0	-	2.0
Net loss adjustment for recently acquired IPAs	5.5	4.1	8.7	8.8
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 30.7</b>	<b>\$ 23.6</b>	<b>\$ 59.9</b>	<b>\$ 37.4</b>

(1) See "Use of Non-GAAP Financial Measures" slide for more information.



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39

## TTM EBITDA reconciliation

\$ in millions	Q3 2020	Q4 2020	Q1 2021	Q2 2021	TTM 2021*
Net income	\$ 25.4	\$ 12.9	\$ 14.4	\$ 59.5	\$ 112.2
Interest expense	2.5	1.5	1.5	1.9	7.4
Interest income	(0.8)	(0.2)	(0.3)	(0.5)	(1.8)
Provision for income taxes	10.8	11.9	6.8	24.9	54.4
Depreciation and amortization	4.7	4.3	4.2	4.2	17.4
<b>EBITDA</b>	<b>\$ 42.6</b>	<b>\$ 30.4</b>	<b>\$ 26.6</b>	<b>\$ 90.0</b>	<b>\$ 189.6</b>
Loss (income) from equity method investments	(0.4)	(0.4)	0.7	3.1	3.0
Gain on sale of equity method investment	-	(0.2)	-	-	(0.2)
Other (income) expense	(0.1)	0.4	(1.3)	(67.9)	(68.9)
Provider bonus payments	6.5	-	-	-	6.5
Net loss adjustment for recently acquired IPAs	4.8	5.5	3.2	5.5	19.0
<b>Adjusted EBITDA</b>	<b>\$ 53.4</b>	<b>\$ 35.7</b>	<b>\$ 29.2</b>	<b>\$ 30.7</b>	<b>\$ 149.0</b>

\* TTM 2021 ended June 30, 2021



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40

## Guidance reconciliation of net income to EBITDA and Adjusted EBITDA

For current guidance projections as of August 5, 2021

(\$ in millions)	Year Ending December 31, 2021	
	Low	High
Net income	\$ 56.0	\$ 66.0
Interest expense	6.0	8.4
Interest income	(1.5)	(2.4)
Provision for income taxes	24.0	29.0
Depreciation and amortization	15.5	18.0
<b>EBITDA</b>	<b>\$ 100.0</b>	<b>\$ 119.0</b>
Income from equity method investments	\$ 3.5	\$ (0.5)
Investment in payer partner	(9.0)	(9.0)
Provider bonus payments	6.0	6.0
Net loss adjustment for recently acquired IPAs	20.0	15.0
<b>Adjusted EBITDA</b>	<b>\$ 120.5</b>	<b>\$ 130.5</b>



## Guidance reconciliation of net income to EBITDA and Adjusted EBITDA

For previously provided guidance projections as of March 10, 2021

(\$ in millions)	Year Ending December 31, 2021	
	Low	High
Net income	\$ 50.0	\$ 60.0
Interest expense	8.0	8.5
Interest income	(3.0)	(5.0)
Provision for income taxes	23.0	24.0
Depreciation and amortization	17.0	17.5
<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.



## Outstanding shares explained

**44.4M<sup>(1)</sup>**  
Expected shares outstanding to be used to calculate GAAP EPS for 3Q 2021 <sup>(2)</sup>



**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



**55.3M**  
Total issued and outstanding shares as of 7/28/2021

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 six months ended June 30, 2021, was approximately 44.4 million.  
(2) Based upon information publicly available as of 8/6/2021.



## 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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