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): November 7, 2023

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, California 91801
(Address of Principal Executive Offices) (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:

☐ 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)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications 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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 2.02 Results of Operations and Financial Condition.

On November 7, 2023, Apollo Medical Holdings, Inc. (the "Company") issued a press release announcing its financial results for the three and nine months ended September 30, 2023. A copy of the press release and supplemental data is furnished with this Current Report on Form 8-K as Exhibit 99.1 and Exhibit 99.2, respectively, and incorporated herein by this reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 2.02, including Exhibit 99.1 and Exhibit 99.2 furnished herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Apollo Medical Holdings, Inc. Regarding its Financial Results for the Three and Nine Months Ended September 30, 2023, dated November 7, 2023.
99.2	Supplemental Data of Apollo Medical Holdings, Inc., dated November 7, 2023.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities 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.

Date: November 7, 2023

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

Exhibit 99.1

Apollo Medical Holdings, Inc. Reports Third Quarter 2023 Results
Company to Host Conference Call on Tuesday, November 7, 2023, at 2:30 p.m. PT/5:30 p.m. ET

ALHAMBRA, Calif., **November 7, 2023** /PRNewswire/ -- Apollo Medical Holdings, Inc. ("ApolloMed," and together with its subsidiaries and affiliated entities, the "Company") (NASDAQ: AMEH), a leading physician-centric, technology-powered healthcare company focused on enabling providers in the successful delivery of value-based care, today announced its consolidated financial results for the third quarter ended September 30, 2023.

"I'm pleased to report strong third quarter performance with total revenue up 10% and capitated revenue up 34% compared to a year ago. We delivered a 15% adjusted EBITDA margin, we narrowed our guidance range for the full year, and we ended the third quarter well-positioned to generate sustainable and profitable growth going forward," said Brandon Sim, Co-Chief Executive Officer of ApolloMed.

"Today, we also announced our intent to acquire assets relating to Community Family Care Medical Group, which currently manages total cost of care for over 200,000 members, diversifying our membership mix and providing us a pathway to expand our value-based Care Partners business. Additionally, we announced two other provider group partnerships this quarter, which bring a combined membership of approximately 30,000, and our total number of provider group partnerships signed this year so far to five," continued Mr. Sim.

Mr. Sim concluded, "During the third quarter, we continued to make strong progress against our key operational goals, successfully managing our value-based care population, and delivering high-quality care. Our platform's momentum is accelerating as we work towards our mission of ensuring that everyone across the country has access to high-quality and high-value healthcare, and I am very excited about our opportunities ahead."

Financial Highlights for Third Quarter Ended September 30, 2023:

All comparisons are to the quarter ended September 30, 2022 unless otherwise stated.

- Total revenue of $348.2 million, up 10% from $317.0 million
- Care Partners revenue of $326.5 million, up 11% from $293.6 million
- Net income attributable to ApolloMed of $22.1 million, compared to $23.2 million
- Earnings per share - diluted ("EPS - diluted") of $0.47, compared to $0.50 per share
- Adjusted EBITDA of $52.0 million, compared to $57.1 million

Financial Highlights for Nine Months Ended September 30, 2023:

All comparisons are to the nine months ended September 30, 2022 unless otherwise stated.

- Total revenue of $1,033.6 million, up 22% from $850.0 million
- Care Partners revenue of $966.4 million, up 24% from $782.2 million
- Net income attributable to ApolloMed of $48.4 million, compared to $48.9 million
- EPS-diluted of $1.03, compared to $1.06 per share
- Adjusted EBITDA of $117.6 million, compared to $116.4 million

Recent Operating Highlights:

- On November 3, 2023, the Company entered into a Third Amendment to the Amended and Restated Credit Agreement which provides a new term loan to the Company in an aggregate amount of up to $300.0 million. This increases the Company's facility to $700.0 million with our existing $400.0 million revolver. Pursuant to the Third Amendment, among other changes, ApolloMed (i) increased the maximum levels of certain forms of permitted indebtedness, (ii) increased the maximum levels of certain forms of restricted payments, including the ability to pursue certain specified share repurchases (up to $300 million) subject to certain conditions and (iii) increased the maximum levels for certain permitted investments.

- On November 6, 2023, the Company entered into a stock repurchase agreement with Allied Physicians of California, a Professional Medical Corporation ("APC"), to repurchase approximately $100.0 million of the Company's common stock from APC. The Company intends to finance the share repurchase with borrowings under its Third Amendment to the Amended and Restated Credit Agreement.

- On November 7, 2023, the Company announced that it and its affiliated professional entity have entered into an agreement to acquire assets relating to Community Family Care Medical Group IPA, Inc. ("CFC"), including the CFC independent physician association, the CFC Health Plan and CFC's management services organization entities. CFC manages the healthcare of over 200,000 members in the Los Angeles, California area, serving patients across Medicare, Medicaid, and Commercial payers and has a Restricted Knox Keene ("RKK") license for Medicaid members. The Company intends to finance the acquisition with cash on hand and borrowings under its Third Amendment to the Amended and Restated Credit Agreement. The CFC acquisition remains subject to customary closing conditions.

- On November 7, 2023, the Company announced a partnership with Associated Hispanic Physicians, a group of over 150 primary care providers and over 450 specialists in Los Angeles with around 25,000 Medicaid, Medicare, and Commercial members in value-based care arrangements, in order to support their group with our Care Enablement offering. We expect Associated Hispanic Physicians' providers will be onboarded onto our Care Enablement platform by March of 2024.

- On November 7, 2023, the Company announced its expanded relationship with Advantage Health Network, a group of approximately 15 primary care providers and several hundred specialists in Los Angeles which supports around 4,500 Medicaid, Medicare, and Commercial members in value-based care arrangements. As part of the partnership, Advantage's providers are slated to join our Care Partners business. We also acquired five primary care clinics in the Advantage Health Network, which will be integrated into our Care Delivery business.

- On November 7, 2023, the Company announced its strategic partnership with Wider Circle, a peer-based community health organization working with payers and providers to connect neighbors for better health. Under this partnership, the two organizations will provide comprehensive patient-centered care and Enhanced Care Management for Medicaid members with complex needs, an integral component of the California Advancing and Innovating Medi-Cal, or CalAIM, initiative.

Segment Results for the Third Quarter Ended September 30, 2023:

	Three Months Ended September 30, 2023						
($ in thousands)	**Care Partners**	**Care Delivery**	**Care Enablement**	**Other**	**Intersegment Elimination**	**Corporate Costs**	**Consolidated Total**
Total revenues	$ 326,499	$ 29,261	$ 36,910	$ 294	$ (44,791)	$ —	$ 348,173
% change vs. prior year quarter	*11%*	*18%*	*22%*				
Cost of services	279,769	25,647	13,658	76	(43,775)	—	275,375
General and administrative[(1)]	6,390	4,649	16,804	875	(2,086)	7,083	33,715
Total expenses	286,159	30,296	30,462	951	(45,861)	7,083	309,090
Income (loss) from operations	$ 40,340	$ (1,035)	$ 6,448	$ (657)	$ 1,070[(2)]	$ (7,083)	$ 39,083
% change vs. prior year quarter	*(13)%*	*(133)%*	*27%*				

[(1)] Balance includes general and administrative expenses and depreciation and amortization.

[(2)] Income from operations for the intersegment elimination represents rental income from segments renting from other segments. Rental income is presented within other income which is not presented in the table.

Guidance:

ApolloMed is narrowing its full-year 2023 guidance. The net income and EBITDA guidance ranges below include the impact of the excluded assets held by APC, which are solely for the benefit of APC and its shareholders. Any gains or losses associated with these excluded assets do not have an impact on Adjusted EBITDA and earnings per share — diluted. These guidance ranges are based on the Company's existing business, current view of existing market conditions, and assumptions for the year ending December 31, 2023.

($ in millions)	**2023 Guidance Range (as of November 7, 2023)**		**2023 Guidance Range (as of February 23, 2023)**	
	Low	**High**	**Low**	**High**
Total revenue	$ 1,340.0	$ 1,390.0	$ 1,300.0	$ 1,500.0
Net income	$ 59.5	$ 71.5	$ 49.5	$ 71.5
EBITDA	$ 114.5	$ 129.5	$ 89.5	$ 129.5
Adjusted EBITDA	$ 135.0	$ 150.0	$ 120.0	$ 160.0
EPS – diluted	$ 1.10	$ 1.20	$ 0.95	$ 1.20

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

Conference Call and Webcast Information:

ApolloMed will host a conference call at 2:30 p.m. PT/5:30 p.m. ET today (Tuesday, November 7, 2023), during which management will discuss the results of the third quarter ended September 30, 2023. To participate in the conference call, please use the following dial-in numbers about 5 minutes prior to the scheduled conference call time:

U.S. & Canada (Toll-Free): +1 (866) 682-6100
International (Toll): +1 (862) 298-0702

The conference call can also be accessed via webcast at: https://event.choruscall.com/mediaframe/webcast.html?webcastid=woZLVfk8.

An accompanying slide presentation will be available in PDF format on the "IR Calendar" page of the Company's website (https://www.apollomed.net/investors/news-events/ir-calendar) after issuance of the earnings release and will be furnished as an exhibit to ApolloMed's current report on Form 8-K to be filed with the SEC, accessible at www.sec.gov.

Those who are unable to attend the live conference call may access the recording at the above webcast link, which will be made available shortly after the conclusion of the call.

Note About Consolidated Entities

The Company consolidates entities in which it has a controlling financial interest. The Company consolidates subsidiaries in which it holds, directly or indirectly, more than 50% of the voting rights, and variable interest entities ("VIEs") in which the Company is the primary beneficiary. Noncontrolling interests represent third party equity ownership interests in the Company's consolidated entities (including certain VIEs). The amount of net income attributable to noncontrolling interests is disclosed in the Company's consolidated statements of income.

Note About Stockholders' Equity, Certain Treasury Stock and Earnings Per Share

As of the date of this press release, 41,048 holdback shares have not been issued to certain former shareholders of the Company's subsidiary, Network Medical Management, Inc. ("NMM"), who were NMM shareholders at the time of closing of the merger, as they have yet to submit properly completed letters of transmittal to ApolloMed in order to receive their pro rata portion of ApolloMed's common stock and warrants as contemplated under that certain Agreement and Plan of Merger, dated December 21, 2016, among ApolloMed, NMM, Apollo Acquisition Corp. ("Merger Subsidiary") and Kenneth Sim, M.D., as amended, pursuant to which Merger Subsidiary merged with and into NMM, with NMM as the surviving corporation. Pending such receipt, such former NMM shareholders have the right to receive, without interest, their pro rata share of dividends or distributions with a record date after the effectiveness of the merger. The Company's consolidated financial statements have treated such shares of common stock as outstanding, given the receipt of the letter of transmittal is considered perfunctory and ApolloMed is legally obligated to issue these shares in connection with the merger.

Shares of ApolloMed's common stock owned by Allied Physicians of California, a Professional Medical Corporation d.b.a. Allied Pacific of California ("APC"), a VIE of the Company, are legally issued and outstanding but excluded from shares of common stock outstanding in the Company's consolidated financial statements, as such shares are treated as treasury shares for accounting purposes. Such shares, therefore, are not included in the number of shares of common stock outstanding used to calculate the Company's earnings per share.

About 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 outcomes-based medical care to patients in a cost-effective manner.

Headquartered in Alhambra, California, ApolloMed's subsidiaries and affiliates include management services organizations (MSOs), affiliated independent practice associations (IPAs), and entities participating in the Centers for Medicare & Medicaid Services Innovation Center (CMMI) innovation models. For more information, please visit www.apollomed.net.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements about the Company's guidance for the year ending December 31, 2023, ability to meet operational goals, ability to meet expectations in deployment of care coordination and management capabilities, ability to decrease cost of care while improving quality and outcomes, ability to deliver sustainable revenue and EBITDA growth as well as long-term value, ability to respond to the changing environment, and successful implementation of strategic growth plans, acquisition strategy, and merger integration efforts. 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 SEC, including, without limitation, the risk factors discussed in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2022, and any subsequent quarterly reports on Form 10-Q. Any forward-looking statement made by the Company in this release speaks only as of the date on which it is made. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

Restatement

In connection with a review of the Company's income tax filing structure, the Company identified unintentional errors in its accounting for the income tax effects of certain intercompany dividends and certain net operating losses, which resulted in an understatement of income tax expense in prior periods and also had an impact on purchase accounting (goodwill) as a portion of the net operating losses affected by the errors pertained to acquisitions in prior periods. As a result of the errors, the Company has restated the December 31, 2022 consolidated balance sheet and the consolidated statement of operations for each of the three and nine months ended September 30, 2022.

FOR MORE INFORMATION, PLEASE CONTACT:

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APOLLO MEDICAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	September 30, 2023 (Unaudited)	December 31, 2022 As restated
Assets		
Current assets		
Cash and cash equivalents	$ 273,941	$ 288,027
Investments in marketable securities	3,021	5,567
Receivables, net	95,892	49,631
Receivables, net – related parties	86,948	65,147
Other receivables	1,501	1,834
Prepaid expenses and other current assets	13,953	14,798
Loans receivable	973	996
Loan receivable – related party	—	2,125
Total current assets	476,229	428,125
Non-current assets		
Land, property, and equipment, net	128,575	108,536
Intangible assets, net	74,209	76,861
Goodwill	275,528	269,053

Income taxes receivable, non-current	15,943	15,943
Loan receivable, non-current	25,040	—
Investments in other entities – equity method	44,428	40,299
Investments in privately held entities	2,896	896
Restricted cash, non-current	345	—
Operating lease right-of-use assets	21,482	20,444
Other assets	8,586	6,056
Total non-current assets	597,032	538,088
Total assets[(1)]	$ 1,073,261	$ 966,213
Liabilities, mezzanine equity and equity		
Current liabilities		
Accounts payable and accrued expenses	$ 53,136	$ 49,562
Fiduciary accounts payable	6,257	8,065
Medical liabilities	97,519	81,255
Income taxes payable	30,112	4,279
Dividend payable	638	664
Finance lease liabilities	655	594
Operating lease liabilities	3,528	3,572

	September 30, 2023	December 31, 2022
Current portion of long-term debt	2,991	619
Other liabilities	8,121	—
Total current liabilities	202,957	148,610
Non-current liabilities		
Deferred tax liability	12,145	14,217
Finance lease liabilities, net of current portion	1,195	1,275
Operating lease liabilities, net of current portion	21,006	19,915
Long-term debt, net of current portion and deferred financing costs	206,213	203,389
Other long-term liabilities	14,105	20,260
Total non-current liabilities	254,664	259,056
Total liabilities[(1)]	457,621	407,666
Mezzanine equity		
Non-controlling interest in Allied Physicians of California, a Professional Medical Corporation	17,931	14,237
Stockholders' equity		
Series A Preferred stock, par value $0.001; 5,000,000 shares authorized (inclusive of Series B Preferred stock); 1,111,111 issued and zero outstanding	—	—
Series B Preferred stock, par value $0.001; 5,000,000 shares authorized (inclusive of Series A Preferred stock); 555,555 issued and zero outstanding	—	—
Common stock, $0.001 par value per share; 100,000,000 shares authorized, 46,607,356 and 46,575,699 shares issued and outstanding, excluding 10,569,340 and 10,299,259 treasury shares, at September 30, 2023, and December 31, 2022, respectively	47	47
Additional paid-in capital	362,889	360,097
Retained earnings	230,778	182,417
Total stockholders' equity	593,714	542,561
Non-controlling interest	3,995	1,749
Total equity	597,709	544,310
Total liabilities, mezzanine equity and equity	$ 1,073,261	$ 966,213

(1) The Company's consolidated balance sheets include the assets and liabilities of its consolidated variable interest entities ("VIEs"). The consolidated balance sheets include total assets that can be used only to settle obligations of the Company's consolidated VIEs totaling $554.0 million and $523.7 million as of September 30, 2023 and December 31, 2022, respectively, and total liabilities of the Company's consolidated VIEs for which creditors do not have recourse to the general credit of the primary beneficiary of $142.4 million and $131.8 million as of September 30, 2023 and December 31, 2022, respectively. The VIE balances do not include $317.7 million of investment in affiliates and $16.3 million of amounts due to affiliates as of September 30, 2023 and $304.8 million of investment in affiliates and $30.3 million of amounts due from affiliates as of December 31, 2022 as these are eliminated upon consolidation and not presented within the consolidated balance sheets.

APOLLO MEDICAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
Revenue				
Capitation, net	$ 305,678	$ 227,571	$ 906,430	$ 677,253
Risk pool settlements and incentives	15,022	64,849	48,605	101,717
Management fee income	9,898	10,030	32,287	30,487
Fee-for-service, net	15,892	12,859	41,216	35,694
Other revenue	1,683	1,692	5,087	4,804
Total revenue	348,173	317,001	1,033,625	849,955
Operating expenses				
Cost of services, excluding depreciation and amortization	275,375	240,768	857,648	691,566
General and administrative expenses	29,410	21,388	74,648	53,224
Depreciation and amortization	4,305	4,754	12,846	13,480
Total expenses	309,090	266,910	945,142	758,270
Income from operations	39,083	50,091	88,483	91,685
Other income (expense)				
(Loss) income from equity method investments	(2,104)	1,452	3,104	4,397
Interest expense	(3,779)	(2,422)	(10,680)	(5,348)
Interest income	3,281	223	9,617	690
Unrealized loss on investments	(342)	(6,763)	(5,875)	(17,591)
Other income (expense)	1,876	(1,318)	4,265	2,328
Total other (expense) income, net	(1,068)	(8,828)	431	(15,524)
Income before provision for income taxes	38,015	41,263	88,914	76,161
Provision for income taxes	10,042	17,366	30,971	29,537
Net income	27,973	23,897	57,943	46,624
Net income (loss) attributable to non-controlling interest	5,914	712	9,582	(2,275)
Net income attributable to Apollo Medical Holdings, Inc.	$ 22,059	$ 23,185	$ 48,361	$ 48,899
Earnings per share – basic	$ 0.47	$ 0.52	$ 1.04	$ 1.09
Earnings per share – diluted	$ 0.47	$ 0.50	$ 1.03	$ 1.06
Weighted average shares used in computing earnings per share:				
Basic	46,547,502	44,946,725	46,527,350	44,795,295
Diluted	46,920,607	46,152,536	46,881,567	45,993,001

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022 (Restated)	2023	2022 (Restated)
Net income	$ 27,973	$ 23,897	$ 57,943	$ 46,624
Interest expense	3,779	2,422	10,680	5,348
Interest income	(3,281)	(223)	(9,617)	(690)
Provision for income taxes	10,042	17,366	30,971	29,537
Depreciation and amortization	4,305	4,754	12,846	13,480
EBITDA	42,818	48,216	102,823	94,299
Income from equity method investments	2,016	(1,469)	(3,160)	(4,358)
Other, net	1,723 (1)	1,382 (2)	1,507 (1)	1,382 (2)
Stock-based compensation	5,706	3,502	13,364	10,477
APC excluded assets costs	(289) (3)	5,505	3,039 (3)	14,574
Adjusted EBITDA	$ 51,974	$ 57,136	$ 117,573	$ 116,374

(1) Other, net for the three and nine months ended September 30, 2023 relates to transaction costs incurred for our investments and tax restructuring fees and non-cash changes related to change in the fair value of our financing obligation to purchase the remaining equity interests, changes in the fair value of our contingent liabilities, and changes in the fair value of the Company's Collar Agreement.

(2) Other, net for the three and nine months ended September 30, 2022 relates to transaction costs incurred, net of the write-off related to APCMG contingent consideration to reflect the fair value as of September 30, 2022.

(3) Certain APC minority interests where APC owns the asset but not the right to the dividends is reclassified from APC excluded asset costs to income from equity method investments

Guidance Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	2023 Guidance Range (as of November 7, 2023)		2023 Guidance Range (as of February 23, 2023)	
(in thousands)	Low	High	Low	High
Net income	$ 59,500	$ 71,500	$ 49,500	$ 71,500
Interest expense	1,500	1,500	1,000	1,000
Provision for income taxes	36,500	39,500	23,000	38,000
Depreciation and amortization	17,000	17,000	16,000	19,000
EBITDA	114,500	129,500	89,500	129,500
Loss (income) from equity method investments	(4,500)	(4,500)	(750)	(750)
Other, net	1,000	1,000	3,250	3,250
Stock-based compensation	20,000	20,000	16,000	16,000
APC excluded assets costs	4,000	4,000	12,000	12,000
Adjusted EBITDA	$ 135,000	$ 150,000	$ 120,000	$ 160,000

Use of Non-GAAP Financial Measures

This Quarterly Report on Form 10-Q contains the non-GAAP financial measures EBITDA and Adjusted EBITDA, of which the most directly comparable financial measure presented in accordance with U.S. generally accepted accounting principles ("GAAP") is net income. These measures are not in accordance with, or alternatives to GAAP, and may be different from other non-GAAP financial measures used by other companies. The Company uses Adjusted EBITDA as a supplemental performance measure of our 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 income or loss from equity method investments, non-recurring and non-cash transactions, stock-based compensation, and APC excluded assets costs. Beginning in the third quarter ended September 30, 2022, the Company has revised the calculation for Adjusted EBITDA to exclude provider bonus payments and losses from recently acquired IPAs, which it believes to be more reflective of its business.

The Company 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 or 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 the Company's ongoing operating performance. In addition, these non-GAAP financial measures are among those indicators the Company 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. Other companies may calculate both EBITDA and Adjusted EBITDA differently, limiting the usefulness of these measures for comparative purposes. To the extent this release contains historical or future non-GAAP financial measures, the Company has provided corresponding GAAP financial measures for comparative purposes. The reconciliation between certain GAAP and non-GAAP measures is provided above.

apollomed

Apollo Medical Holdings

(NASDAQ: AMEH)

Third Quarter 2023 Earnings Call Supplement
November 7, 2023

Powered by Technology.
Built by Doctors.
For Patients.

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, 2022, 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.

ApolloMed At-A-Glance

ApolloMed is a technology powered, risk-bearing healthcare platform and healthcare provider supporting physicians and patients in delivering value-based care.

The three pillars of our business are:

Care Partners:
Network of employed and partnered providers, organized into multi-payer risk-bearing entities

Care Delivery:
Owned and operated facilities delivering primary care, specialty care, and ancillary services

Care Enablement:
Technology platform to support independent and partnered physicians and medical groups in delivering patient care

0.9M
Total value-based lives

25%
Revenue growth CAGR from 2019-2023E

$1.3B
TTM revenue

$141M
TTM Adj. EBITDA

20+
Payer partners

30+
Markets

↓ 54%
Lower inpatient bed days / k [1]

↓ 61%
Lower vs. benchmark for ER visits / k [1]

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Note:
1. ApolloMed Medicare Advantage and ACO clinical outcomes as of 06/30/2023 vs. CMS benchmark; CMS. Office of Enterprise Data and Analytics

ApolloMed can flexibly support patients and providers across segment offerings depending on their needs

Qtr ended 09/30/2023 *$ in millions*	Care Partners *High-performing network of aligned provider partners*	Care Delivery *High-quality system of employed partner providers*	Care Enablement *End-to-end integrated clinical, operational, financial, and administrative platform*
Total members in VBC[1], K	~600K	~700K	~900K
Total revenues, $M	$326M	$29M	$37M
Income (loss) from operations, $M	$40M	($1M)	$6M
% Margin	*12%*	*(3.5%)*	*16%*
Primary Revenue Model	Partial & full-risk PMPM payments	Partial & full-risk PMPM payments FFS	Percent of collections/revenue
Degree of Risk	Partial & full-risk	Partial & full-risk	N/A
Percentage of premium opp.	*80-90%*	*80-90%*	*10-15%*
LT profitability target	*10-20%*	*10-20%*	*20-30%*

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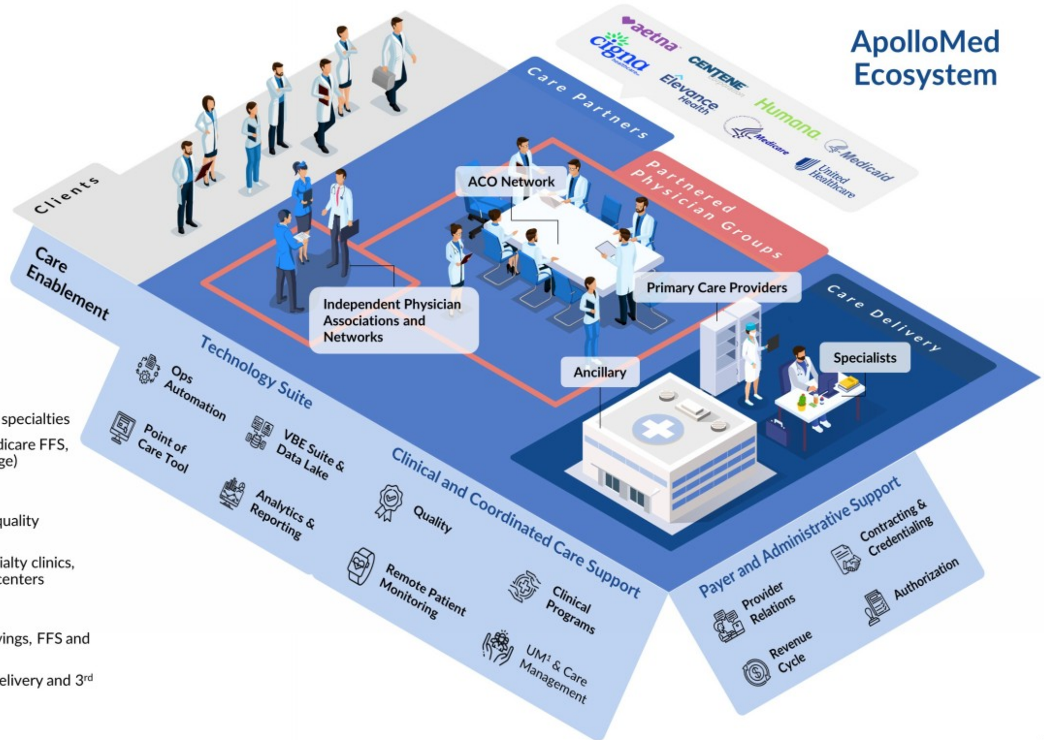
(1) Members in value-based care arrangements for Care Partners or Care Enablement; unique visits over LTM for Care Delivery

Our comprehensive and flexible platform allows us to deliver care via our owned and partnered entities

ApolloMed Ecosystem



Care Partners

- 20+ payer partners
- ~15 years avg partnership
- 10,000+ contracted providers across all specialties
- Payer agnostic, serving **all patients** (Medicare FFS, MA, Medicaid, Commercial, and Exchange)

Care Delivery

- Patients receive care through our high-quality employed providers
- Providers include primary care and specialty clinics, ASCs, SNFs, UCs, labs, and diagnostics centers

Care Enablement

- Platform supports capitation, shared savings, FFS and other flexible VBC arrangements
- Leveraged across Care Partners, Care Delivery and 3rd party providers

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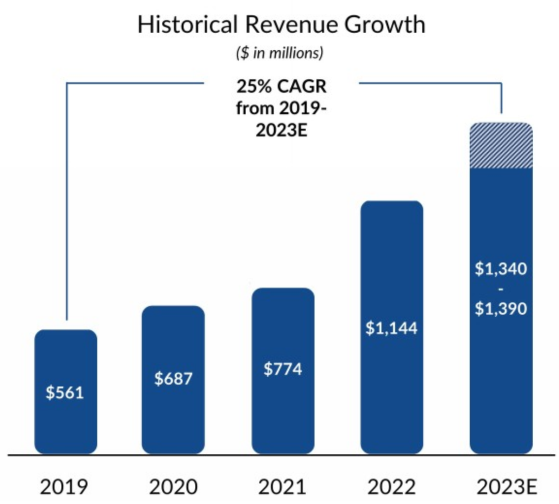
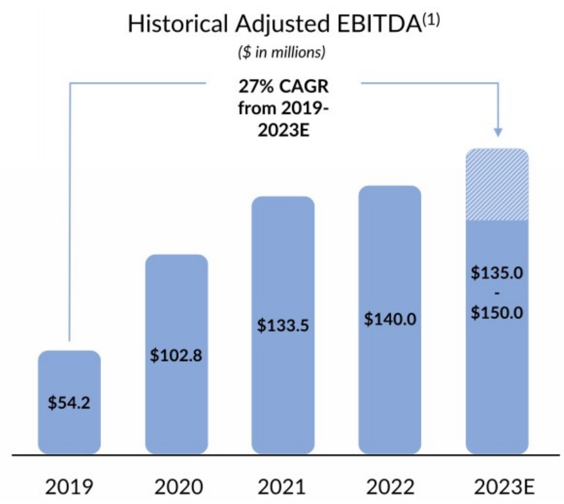
Historical Financial Profile





2021 Adjusted EBITDA benefitted from tailwinds of lower utilization during the COVID-19 pandemic;

Return to pre-pandemic utilization in 2022 and 2023

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

Revenue Breakdown

Revenue by Line of Business

Business Mix By Payer Type

Note: For the nine months ended September 30, 2023

ApolloMed's multi-pronged growth strategy

Grow Within Existing Markets

- Continue to build a strong core in the Southern California market with an emphasis on access to care and delivering culturally-aligned care to our communities

Expand Into New Markets

- Transform healthcare for local communities across the country by partnering with new provider groups, building care delivery capabilities, and extending payer relationships nationally

Deepen Integration Across ApolloMed's Segments

- Increase growth of existing Care Enablement providers as they integrate more deeply into ApolloMed's ecosystem as Care Partners

Advance Contracts Across Risk Spectrum

- Migrate member lives under partial risk contracts into full risk and total cost of care arrangements

Identify Opportunities For M&A

- Continue to execute on M&A strategy across all segments and lines of business

Community Family Care Acquisition

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Our M&A playbook enables us to effectively scale and enter into new markets

Community Family Care

Community Family Care ("CFC") Overview

Breadth of CFC Provider Network and Membership Concentration

- CFC is a scaled Medicaid focused provider group with over 200k patients across Medicare, Medicaid and Commercial payers in LA County
- CFC already bears full-risk on Medicaid members via RKK health plan license

Strategic Rationale

- CFC's unique network of providers focused on Medicaid strengthens ApolloMed's ability to reach underserved populations
- ApolloMed deepens relationship with CFC providers as they join capitated, full-risk Care Partners segment
- CFC's 18% revenue CAGR and 35% EBITDA CAGR since ApolloMed began managing in 2020, showing success in CE[1] positioning for even more success in CP[2]
- Highly attractive synergy opportunities:
  - Transition CFC Medicare members to full risk
  - Transition ApolloMed CA Medicaid members to full risk

Transaction Highlights

Financial Highlights

- 2023E Revenue: $190M
- 2023E EBITDA: $25M
- FV / 2023E EBITDA: 8.1x

Total Consideration

- $202M total consideration
  - $152M cash, $20M equity, $30M performance-based milestone payments

Expected Closing

- Two-part close to occur, anticipated in Q1 2024

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(1) Care Enablement
(2) Care Partners

Q3 2023 Update

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Q3 2023 performance highlights; Updated 2023E Guidance

Q3 2023 financial results

Revenue	$348.2M
Net income attr. to AMEH	$22.1M
EPS – diluted	$0.47
Adj. EBITDA*	$52.0M

($ in millions, except for per share information)	Actual YE 2022 Results	2023 Guidance Range
Total Revenue	$1,144.2	$1,340.0 - $1,390.0
Net Income[1]	$45.7	$59.5 - $71.5
EBITDA[1,2]	$110.1	$114.5 - $129.5
Adjusted EBITDA[2]	$140.0	$135.0 - $150.0
EPS - Diluted	$0.99	$1.10 - $1.20

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(1)Net income and EBITDA forecast includes the impact of APC excluded assets, which assume no change in value.
(2)See "Reconciliation of Net Income to EBITDA and Adjusted EBITDA," "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.

Q3 2023 operational highlights

Care Partners

- Acquisition of Community Family Care and integration into Care Partner segment by end of 2023 while continuing to leverage our Care Enablement platform
- Advantage Health Network acquisition into Care Partners while continuing to be on our Care Enablement platform

Care Delivery

- Acquisition of Ardmore Medical Clinic into our Care Delivery segment

Care Enablement

- Associated Hispanic Partners will be onboarded onto Care Enablement platform by Q1 2024
- Wider Circle – Enhanced Care Management joint venture provides comprehensive patient-centered care for Medicaid members with complex needs

Key takeaways

Clear levers and a repeatable growth playbook to drive further nationwide expansion	*25% 4-year revenue CAGR with clear visibility into continued 25%+ growth*[1]
Proven track record of consistent profitability	*27% 4-year EBITDA CAGR with 15% EBITDA margins at scale*
Flexible, capital efficient model with predictable unit economics	*10%-17% adj. EBITDA margins over the last 4 years*[2]
Tech-powered, integrated care delivery model results in industry-leading clinical outcomes	*Bed days 54% below benchmark; ER visits 61% below benchmark*[3]
Strongly positioned to create a future where all can get access to high quality healthcare	*0.9M members in VBC arrangements across Medicare, Medicaid, and Commercial*[4]

(1) Growth figures are based on historical revenue and estimates through FY 2023
(2) See the "TTM and Year-end Reconciliation of Net Income to EBITDA and Adjusted EBITDA" slide for additional information.
(3) Across all consolidated ApolloMed IPAs for Medicare Advantage as of 6/30/2023, benchmarks derived from CMS data
(4) As of 9/30/2023

Summary of Selected Financial Results

$ in 000s except per share data	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022 (restated)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022 (restated)
Revenue				
Capitation, net	$ 305,678	$ 227,571	$ 906,430	$ 677,253
Risk pool settlements and incentives	15,022	64,849	48,605	101,717
Management fee income	9,898	10,030	32,287	30,487
Fee-for-service, net	15,892	12,859	41,216	35,694
Other income	1,683	1,692	5,087	4,804
Total revenue	348,173	317,001	1,033,625	849,955
Total expenses	309,090	266,910	945,142	758,270
Income from operations	39,083	50,091	88,483	91,685
Net income	27,973	23,897	57,943	46,624
Net income (loss) attributable to noncontrolling interests	5,914	712	9,582	(2,275)
Net income attributable to ApolloMed	$ 22,059	$ 23,185	$ 48,361	$ 48,899
Earnings per share – diluted	$ 0.47	$ 0.50	$ 1.03	$ 1.06
EBITDA	$ 42,818	$ 48,216	$ 102,823	$ 94,299
Adjusted EBITDA	$ 51,974	$ 57,136	$ 117,573	$ 116,374

Segment Results

For the three months ended September 30, 2023

$ in 000s	Care Partners	Care Delivery	Care Enablement	Other	Intersegment Elimination	Corporate Costs	Consolidated Total
Total revenues	$ 326,499	29,261	36,910	294	(44,791)	-	348,173
% change vs prior year quarter	*11%*	*18%*	*22%*				*10%*
Cost of services	279,769	25,647	13,658	76	(43,775)	-	275,375
General and administrative expenses[1]	6,390	4,649	16,804	875	(2,086)	7,083	33,715
Total expenses	286,159	30,296	30,462	951	(45,861)	7,083	309,090
Income (loss) from operations	$ 40,340	(1,035)	6,448	(657)	1,070[2]	(7,083)	39,083
% change vs prior year quarter	*(13%)*	*(133%)*	*27%*				*(22%)*

[1] Balance includes general and administrative expenses and depreciation and amortization.
[2] Income from operations for the intersegment elimination represents rental income from segments renting from other segments. Rental income is presented within other income, which is not presented in the table.

Balance Sheet Highlights

$ in millions	9/30/2023	12/31/2022	$ Change
Cash and cash equivalents and investments in marketable securities*	$277.0	$293.6	($16.6)
Working capital	$273.3	$279.5	($6.2)
Total stockholders' equity	$593.7	$542.6	$51.1

*Excluding restricted cash

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022 (Restated)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022 (Restated)
Net income	$ 27,973	$ 23,897	$ 57,943	$ 46,624
Interest expense	3,779	2,422	10,680	5,348
Interest income	(3,281)	(223)	(9,617)	(690)
Provision for income taxes	10,042	17,366	30,971	29,537
Depreciation and amortization	4,305	4,754	12,846	13,480
EBITDA	42,818	48,216	102,823	94,299
Income from equity method investments	2,016	(1,469)	(3,160)	(4,358)
Other, net	1,723 (1)	1,382 (2)	1,507 (1)	1,382 (2)
Stock-based compensation	5,706	3,502	13,364	10,477
APC excluded assets costs	(289)	5,505	3,039	14,574
Adjusted EBITDA	$ 51,974	$ 57,136	$ 117,573	$ 116,374
Adjusted EBITDA margin	15 %	18 %	11 %	14 %

(1) Other, net for the three and nine months ended September 30, 2023 relates to transaction costs incurred for our investments and tax restructuring fees and non-cash changes related to change in the fair value of our financing obligation to purchase the remaining equity interests, changes in the fair value of our contingent liabilities, and changes in the fair value of the Company's Collar Agreement. Other, net for the three and six months ended June 30, 2023, relates to non-cash changes in the fair value of the Company's financing obligations to purchase the remaining equity interest, changes in the fair value of its contingent liabilities, and changes in the fair value of the Company's Collar Agreement.

(2) Other, net for the three and nine months ended September 30, 2022 relates to transaction costs incurred, net of the write-off related to APCMG contingent consideration to reflect the fair value as of September 30, 2022.

(3) Certain APC minority interests where APC owns the asset but not the right to the dividends is reclassified from APC excluded asset costs to income from equity method investments

Guidance Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(in thousands)	2023 Guidance Range (as of November 7, 2023) Low	High	2023 Guidance Range (as of February 23, 2023) Low	High
Net income	$ 59,500	$ 71,500	$ 49,500	$ 71,500
Interest expense	1,500	1,500	1,000	1,000
Provision for income taxes	36,500	39,500	23,000	38,000
Depreciation and amortization	17,000	17,000	16,000	19,000
EBITDA	114,500	129,500	89,500	129,500
Loss (income) from equity method investments	(4,500)	(4,500)	(750)	(750)
Other, net	1,000	1,000	3,250	3,250
Stock-based compensation	20,000	20,000	16,000	16,000
APC excluded assets costs	4,000	4,000	12,000	12,000
Adjusted EBITDA	$ 135,000	$ 150,000	$ 120,000	$ 160,000

Note: See "Use of Non-GAAP Financial Measures" slide for more information.

Updated 2023 Guidance

($'s in K, except EPS)	2023 Guidance (Original) Low	High	2023 Guidance (Updated) Low	High
Total Revenue	1,300,000	1,500,000	1,340,000	1,390,000
Net Income	49,500	71,500	59,500	71,500
EBITDA	89,500	129,500	114,500	129,500
Adj. EBITDA	120,000	160,000	135,000	150,000
EPS - Diluted	$0.95	$1.20	$1.10	$1.20

Note: See "Guidance Reconciliation of Net Income to EBITDA and Adjusted EBITDA" and "Use of Non-GAAP Financial Measures" for additional information. There can be no assurance that actual amounts will not be materially higher or lower than these expectations. See "Forward-Looking Statements" for additional information.

Summary of Selected Financial Results – Breaking Out Excluded Assets

$ in millions	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	ApolloMed Consolidated	Excluded Assets	ApolloMed Assets	ApolloMed Consolidated	Excluded Assets	ApolloMed Assets
Revenue	$			$		
Capitation, net	906.4	-	906.4	677.3	-	677.3
Risk pool settlements and incentives	48.6	-	48.6	101.7	-	101.7
Management fee income	32.3	-	32.3	30.5	-	30.5
Fee-for-services, net	41.2	-	41.2	35.7	-	35.7
Other income	5.1	-	5.1	4.8	-	4.8
Total revenue	1033.6	-	1033.6	850.0	-	850.0
Total operating expenses	945.1	3.3	941.8	758.3	2.9	755.4
Income (losses) per operations	88.5	(3.3)	91.8	91.7	(2.9)	94.6
Total Other income (expense)	0.4	(1.7)	2.1	(15.5)	(13.1)	(2.4)
Net income (loss)	$ 57.9	(5)	62.9	$ 46.6	(16.0)	62.6

Summary Balance Sheet – Breaking Out Excluded Assets

$ in millions	September 30, 2023			December 31, 2022		
	ApolloMed Consolidated	Excluded Assets	ApolloMed Assets	ApolloMed Consolidated	Excluded Assets[(1)]	ApolloMed Assets
Current assets						
Cash and cash equivalents	$ 273.9	11.6	262.3	$ 288.0	30.2	257.8
Investments in marketable securities	3.0	0.5	2.5	5.6	4.5	1.1
Receivables, net	95.9	0	95.9	49.6	-	49.6
Receivables - related parties and loan receivable - related party	86.9	0	86.9	67.2	-	67.2
Other receivables, prepaid expenses and other current assets	16.5	1.5	15	17.6	0.8	16.8
Income taxes receivable	-	-	-	-	(1.1)	1.1
Total current assets	476.2	13.6	462.6	428.0	34.4	393.6
Non-current assets						
Land, property, and equipment, net	128.6	120.4	8.2	108.5	101.3	7.2
Goodwill and intangibles	349.7	-	349.7	346.0	-	346.0
Loan receivable and loan receivable - related parties, net of current portion	25.0	-	25.0	-	-	-
Income taxes receivable, non-current	15.9	-	15.9	15.9	-	15.9
Investments in other entities and privately held entities	47.3	20.6	26.7	41.2	27.6	13.6
Other assets and right-of-use assets	30.4	5.2	25.2	26.5	3.2	23.3
Total non-current assets	596.9	146.2	450.7	538.1	132.1	406.0
Total assets	**$ 1073.1**	**159.8**	**913.3**	**$ 966.1**	**166.5**	**799.6**

(1) Includes AP Excluded Assets and certain other assets such as APC's minority interests in LSMA and PMIOC where APC owns the asset but not the right to the dividends associated with those assets.

Summary Balance Sheet – Breaking Out Excluded Assets (continued)

$ in millions		September 30, 2023				December 31, 2022	
		ApolloMed Consolidated	Excluded Assets	ApolloMed Assets		ApolloMed Consolidated	Excluded Assets[(1)]	ApolloMed Assets
Current liabilities								
Fiduciary payable, accounts payable and accrued liabilities	$	59.4	2.3	57.1	$	57.7	2.8	54.9
Medical liabilities		97.5	-	97.5		81.3	-	81.3
Income taxes payable		30.1	1.1	29		4.3	-	4.3
Dividend payable		0.6	-	0.6		0.7	-	0.7
Finance and operating lease liabilities		4.2	0.1	4.1		4.2	-	4.2
Current portion of long-term debt		3.0	1.0	2.0		0.6	-	-
Other liabilities		-	-	-		-	-	-
Total current liabilities		194.8	4.5	190.3		148.8	3.4	145.4
Non-current liabilities								
Deferred tax liability	$	12.1	0.9	11.2		14.2	0.9	13.3
Finance and operating lease liabilities, net of current portion		22.2	0.9	21.3		21.2	-	21.2
Long-term debt, net of current portion and deferred financing costs		206.2	28.8	177.4		20.3	-	20.3
Other long-term liabilities		14.1	-	14.1		203.4	26.6	176.8
Total non-current liabilities		254.6	30.6	224.0		259.1	27.5	231.6
Total liabilities		**449.4**	**35.1**	**414.3**		**407.9**	**30.9**	**377.0**
Total mezzanine equity and stockholder's equity	$	**623.7**	**124.7**	**499.0**	$	**558.2**	**135.6**	**422.6**

(1) Includes AP Excluded Assets and certain other assets such as APC's minority interests in LSMA and PMIOC where APC owns the asset but not the right to the dividends associated with those assets.

Summary Cash Flow Statement – Breaking Out Excluded Assets

$ in millions		September 30, 2023				September 30, 2022		
		ApolloMed Consolidated	Excluded Assets	ApolloMed Assets		ApolloMed Consolidated	Excluded Assets	ApolloMed Assets
Cash flows from operating activities								
Net income	$	57.9	(5.0)	63	$	46.6	(16.0)	62.6
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	$	12.8	1.3	11.5	$	13.5	0.9	12.6
Amortization of debt issuance cost		0.7	-	0.7		0.7	-	0.7
Share-based compensation		13.4	-	13.4		10.5	-	10.5
Unrealized loss on investments		6.9	4.0	2.9		21.9	-	5.2
Gain on sales of equity securities		-	-	-		(2.3)	-	(2.3)
Loss (income) from equity method investments, net		(3.1)	0.1	(3.2)		(4.4)	-	(4.4)
Unrealized gain in interest rate swaps		(1.0)	(1.0)	-		(4.3)	(4.3)	-
Deferred tax		(3.9)	-	(3.9)		(3.1)	-	(3.1)
Other						0.9	0.9	-
Changes in operating assets and liabilities, net of acquisition amounts:								
Receivables, net, receivable, net - related parties, other receivable, prepaid expenses and other current assets, right of use assets, other assets, fiduciary accounts payable, medical liabilities, operating lease liabilities, other long-term liabilities		(58.8)	(0.8)	(58.2)		(73.3)	0.6	(73.9)
Accounts payable and accrued liabilities		(1.1)	(1.8)	0.6		0.8	0.4	0.4
Income taxes payable		25.2	-	25.2		(10.4)	-	(10.4)
Net cash provided by operating activities	$	49.0	(3.2)	52	$	(2.9)	(0.8)	(2.1)

Summary Cash Flow Statement – Breaking Out Excluded Assets (continued)

$ in millions		September 30,2023				September 30,2022	
		ApolloMed Consolidated	Excluded Assets	ApolloMed Assets		ApolloMed Consolidated	Excluded Assets	ApolloMed Assets
Cash flows from investing activities								
Payments for business and asset acquisitions, net of cash acquired	$	(4.7)	-	(4.7)	$	(5.6)	(4.8)	(0.8)
Proceeds from repayment of loans receivable - related parties		2.2	-	2.2		4.1	4	0.1
Purchase of marketable securities		(2.1)	-	(2.1)		(1.8)	-	(1.8)
Purchase of investments - privately held		(2.0)	-	(2.0)		-	-	-
Purchase of investments - equity method		(0.3)	-	(0.3)		-	-	-
Purchases of property and equipment		(21.5)	(19.1)	(2.4)		(22.1)	(20.7)	(1.4)
Proceeds of marketable securities		-	-	-		-	(0.1)	0.1
Purchase of loan reaceivable		(25)	-	(25)		-	-	-
Proceeds from sale of marketable securities		-	-	-		6.4	-	6.4
Distribution from investments - equity method		-	-	-		0.4	0.4	-
Contribution to investment - equity method		(0.7)	(0.7)	-		(1.8)	(1.8)	-
Net cash provided by (used in) investing activities		(54.1)	(19.8)	(34.3)		(20.4)	(23.0)	2.6
Cash flows from financing activities								
Dividends paid	$	(2.3)	-	(2.3)	$	(12.7)	(10.0)	(2.7)
Repayments on long-term debt		(0.5)	(0.5)	-		(3.7)	(3.7)	-
Payment of finance lease obligations		(0.5)	-	(0.5)		(0.4)	-	(0.4)
Proceeds from exercise of stock options and warrants		1.3	-	1.3		2.8	-	2.8
Repurchase of treasury shares		-	-	-		(9.6)	-	(9.6)
Purchase of Non-Controlling Interest		(9.7)	-	(9.7)		(4.3)	(4.1)	(0.2)
Proceeds from sale of non-controlling interest		(0.1)	-	(0.1)		0.1	-	0.1
Borrowings on loan		3.1	2.9	0.2		2.0	2.0	-
Amounts due from affiliate		-	0.7	-		-	(15.5)	15.5
Net cash provided by (used in) financing activities		(8.7)	3.1	(11.1)		(25.8)	(31.3)	5.5
Net change in cash and cash equivalents		(13.7)	(19.7)	6.0		(49.1)	(55.1)	6.0
Cash and cash equivalents at beginning of year	$	288	30.2	257.9	$	233.1	62.5	170.6
Cash and cash equivalents at end of year	$	274.3	10.5	263.9	$	184.0	7.4	176.6

Use of Non-GAAP Financial Measures

This presentation contains the non-GAAP financial measures EBITDA and Adjusted EBITDA, of which the most directly comparable financial measure presented in accordance with U.S. generally accepted accounting principles (“GAAP”) is net income. These measures are not in accordance with, or alternatives to GAAP, and may be different from other non-GAAP financial measures used by other companies. The Company uses Adjusted EBITDA as a supplemental performance measure of our 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 income or loss from equity method investments, non-recurring transactions, stock-based compensation, and APC excluded assets costs. Beginning in the third quarter ended September 30, 2022, the Company has revised the calculation for Adjusted EBITDA to exclude provider bonus payments and losses from recently acquired IPAs, which it believes to be more reflective of its business.

The Company 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 or 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 the Company’s ongoing operating performance. In addition, these non-GAAP financial measures are among those indicators the Company 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. Other companies may calculate both EBITDA and Adjusted EBITDA differently, limiting the usefulness of these measures for comparative purposes. To the extent this release contains historical or future non-GAAP financial measures, the Company has provided corresponding GAAP financial measures for comparative purposes. The reconciliation between certain GAAP and non-GAAP measures is provided above.

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