

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): **January 14, 2025**

ASTRANA HEALTH, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37392
(Commission
File Number)

95-4472349
(I.R.S. Employer
Identification 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, \$0.001 par value per share	ASTH	The Nasdaq Stock Market LLC

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 7.01 Regulation FD Disclosure.

On January 14, 2025, Astrana Health, Inc. (the “Company”) updated its corporate presentation that it intends to use in connection with presentations at conferences and meetings. The slides from the Company’s corporate presentation are attached as [Exhibit 99.1](#) to this Current Report on Form 8-K and are incorporated herein by reference. The Company does not undertake to update the information contained in the attached presentation materials.

The Company previously entered into an Asset and Equity Purchase Agreement to acquire certain businesses and assets of Prospect Medical Holdings, Inc. (“Prospect Medical”). On January 11, 2025, Prospect Medical filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Texas. The businesses and assets of Prospect Medical being acquired by the Company are not included in the bankruptcy filing, and the Company expects that such businesses and assets and the timing of the proposed acquisition will not be impacted by the bankruptcy filing.

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.

Exhibit No.	Description
99.1	Investor Presentation (January 2025)
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 Exchange Act. 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 bankruptcy filing made by Prospect Medical, the factors described in the Company’s filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 and subsequent quarterly reports on Form 10-Q. The Company does not undertake any responsibility to update any of these factors or to announce publicly any revisions to any of the forward-looking statements contained in this or any other document, whether as a result of new information, future events, or otherwise.

SIGNATURES

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

ASTRANA HEALTH, INC.

Date: January 14, 2025

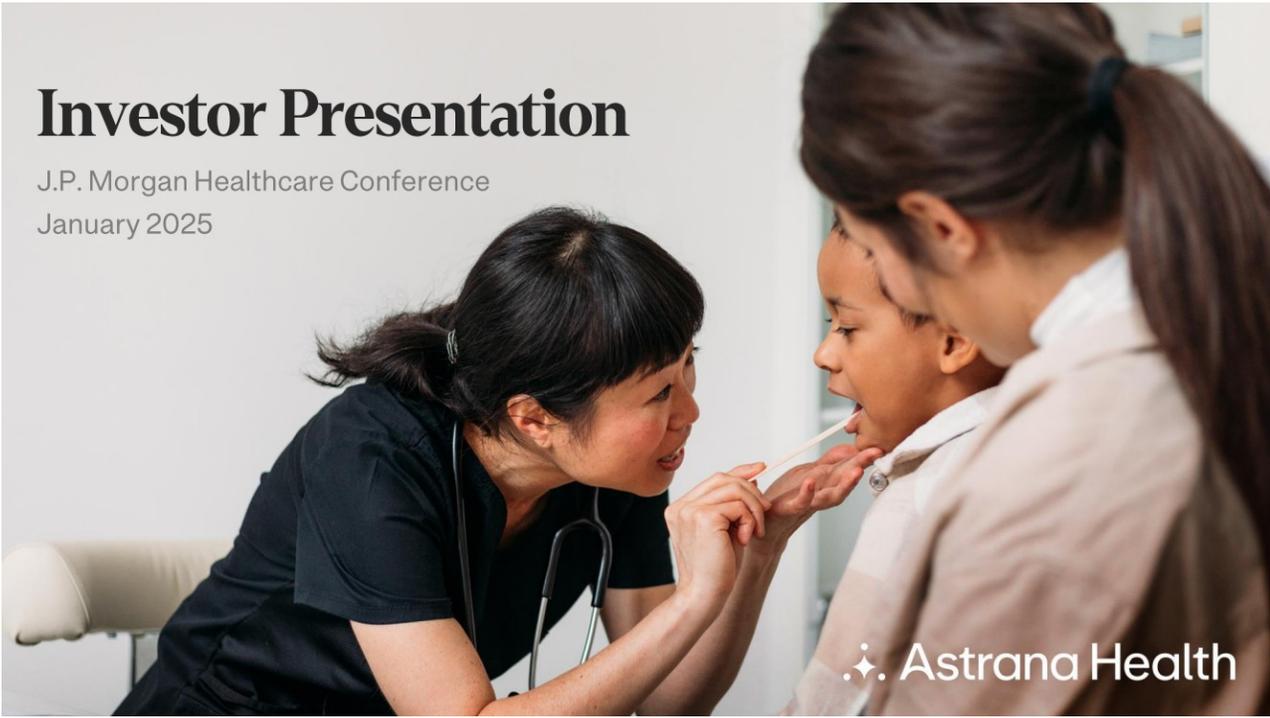
By: /s/ Brandon K. Sim
Name: Brandon K. Sim
Title: Chief Executive Officer and President

Investor Presentation

J.P. Morgan Healthcare Conference
January 2025

The logo for Astrana Health, featuring a stylized starburst icon to the left of the company name. The text "Astrana Health" is in a clean, sans-serif font.

✦ Astrana Health



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, estimates of our total addressable market, our ability to successfully complete and realize the benefits of anticipated acquisitions, including statements regarding the pending acquisition of certain businesses and assets of Prospect Medical Holdings, Inc., which may not be completed in a timely manner, or at all, the potential impact of the Chapter 11 filing by Prospect Medical Holdings, Inc. on the transaction, the debt financing for the transaction and the Company's ability to decrease its net leverage in the future, 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, 2023, 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.

This presentation may contain statistics and other data that in some cases has been obtained from or compiled from information made available by third-party service providers. The Company makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness or completeness of such information.

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 calculated differently from similar 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 Presentation contains historical or future non-GAAP financial measures, the Company has provided corresponding GAAP financial measures for comparative purposes, except as otherwise noted below. The reconciliation between certain GAAP and non-GAAP measures is provided in the Appendix.

The Company has not provided a quantitative reconciliation of applicable non-GAAP measures, such as the projected adjusted EBITDA in 2024 and in future years for planned acquisitions, to the most comparable GAAP measure, such as net income, on a forward-looking basis within this presentation because the Company is unable, without unreasonable efforts, to provide reconciling information with respect to certain line items that cannot be calculated. These items, which could materially affect the computation of forward-looking GAAP net income, are inherently uncertain and depend on various factors, some of which are outside of the Company's control.

The status quo for healthcare in the United States is broken

Insufficient

& costly access to quality care

Poor

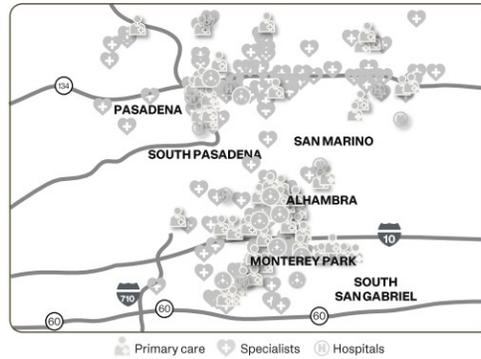
provider and patient satisfaction

Limited

technology & coordinated care

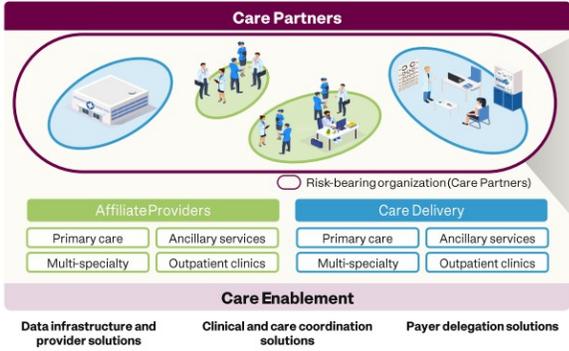


Example geography: San Gabriel Valley



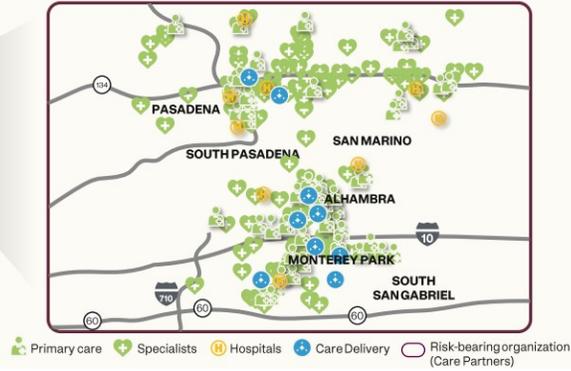
Astrana transforms the status quo into...

Accessible, High-quality & Coordinated
...care delivery networks



Example Network: Astrana in San Gabriel Valley¹

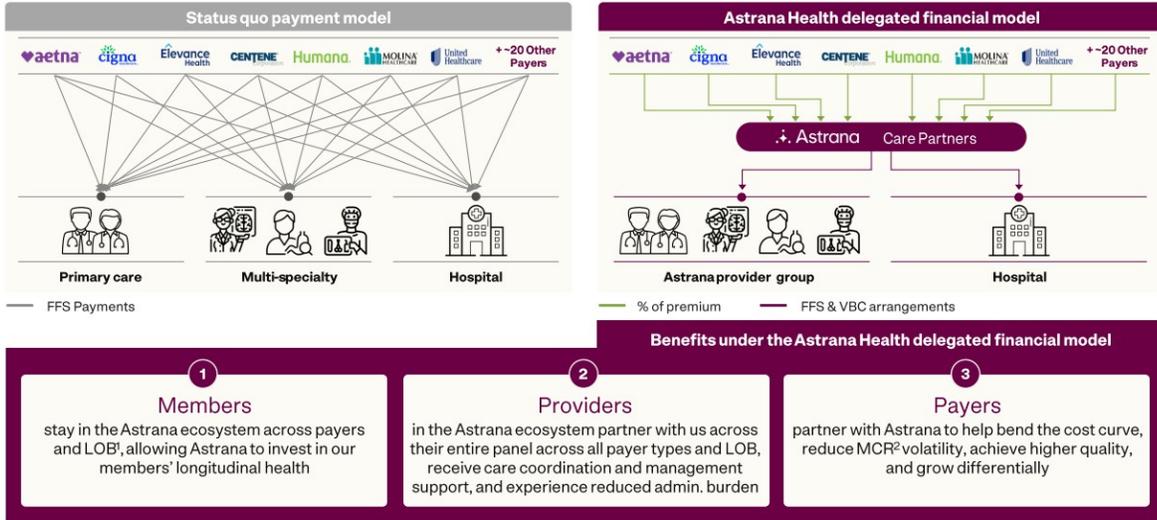
Through our business segments, we build critical density in markets to ensure access to quality care



↳ Astrana Health

1. Providers shown are in Astrana Care Partners and/or Care Delivery

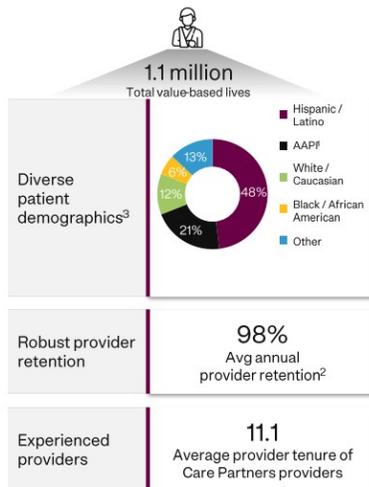
Astrana's risk-bearing model is better for members, providers, and payers



⌄ Astrana Health

1. Line of business
2. Medical Cost Ratio

Our model uniquely enables us to build longitudinal relationships with patients across their lives, regardless of payer or insurance type



Astrana Health serves members across their lifetimes...



Membership by Age Group⁴



... and across their insurance context

Revenue By Payer Type⁵



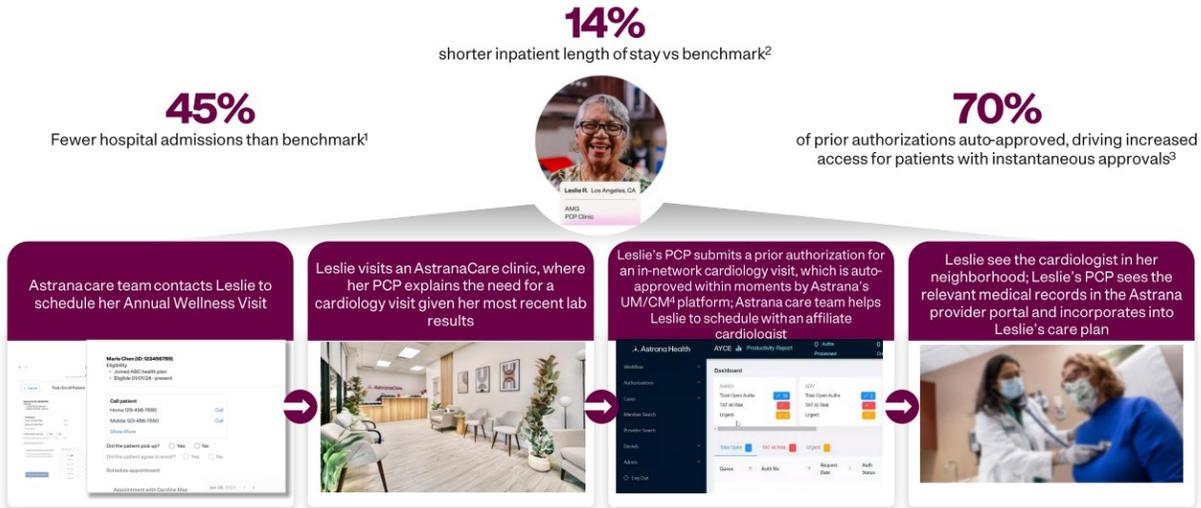
Revenue By Payer⁵



Source: U.S. Census Bureau, CMS
 1. Asian American and Pacific Islander
 2. Based on Care Partners provider network
 3. Astrana population data as of 2022

4. Astrana membership data as of 2024
 5. Revenue for the nine months ended September 30, 2024

...which makes care more accessible for patients and improves outcomes

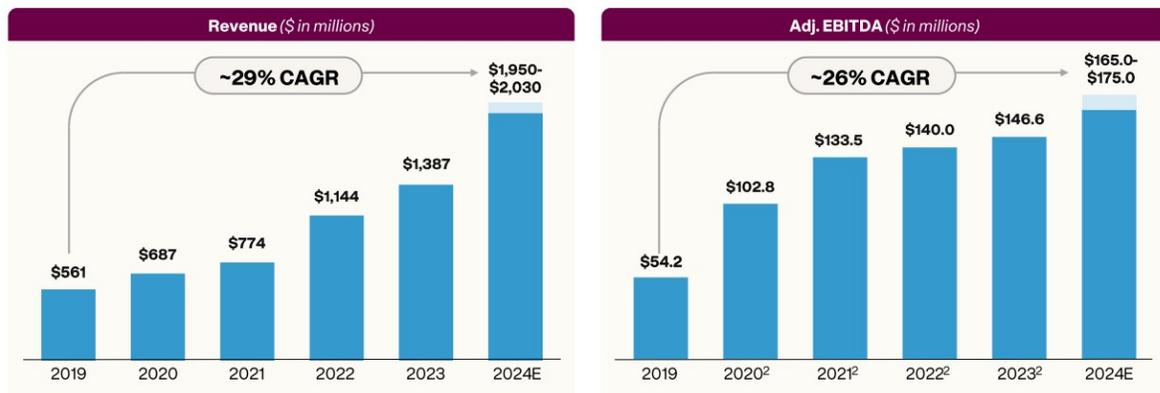


Astrana Health

Source: Centers for Medicare and Medicaid Services; Note: Excludes CHS patients; All names, images, and situations presented are for illustrative purposes only

1. Astrana Health figures based on analysis of Jan-Sep 2024 internal data from all Medicare Advantage members and compared against relevant benchmark
2. Astrana Health figures based on analysis of Jan-Jun 2024 internal data from Care Partners Medicare patients and compared against CMS Medicare Advantage benchmark
3. Care Partners equipped with automated prior authorizations; Excludes CHS providers
4. Utilizationmanagement/ Care management

Our model powers strong financial results in all utilization environments



Clear visibility into continued 25%+ growth over the medium term

Note: For more information, 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
 1. The Company defines Adjusted EBITDA margin as Adjusted EBITDA over total revenue
 2. 2020-2021 Adj. EBITDA benefitted from tailwinds of lower utilization during the COVID-19 pandemic. Return to pre-pandemic utilization in 2022 and 2023

Execution Playbook

↳ Astra Health

The Astrana Playbook



Growth: Sustainably growing membership to bring better care to more Americans

- Growth within our existing markets (CA, NV, TX)
- Expansion into new geographies (AZ, CT, HI, MD, VA, & more)



Risk Progression: Increasing alignment through total cost of care responsibility in value-based arrangements

- 1.1M total members in VBC arrangements¹
- 255K+ full-risk members across Medicare, Medicaid, and Commercial LOBs^{1,2}



Outcomes and Cost: Achieving superior patient outcomes while managing cost

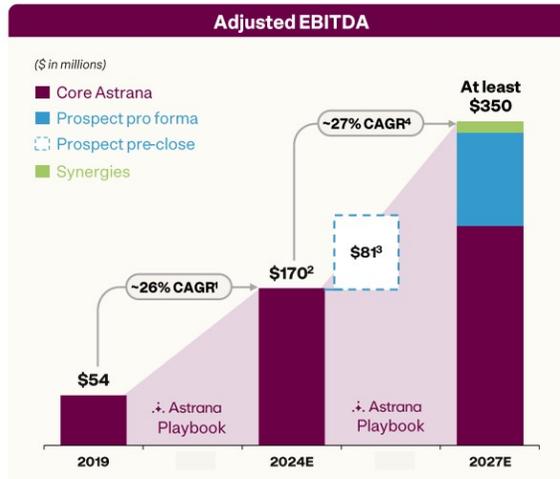
- Admits/K 45% below benchmark³
- Maintaining access to high-quality care and moderating increasing cost trends



Operating Leverage: Driving operating leverage across our business through our Care Enablement suite

- 85% of Care Partners PCP's active on Astrana point-of-care tool across all LOBs⁴
- 70% of prior authorizations auto-approved⁵

Astrana has developed a differentiated model to drive continued and sustainable growth



Note: Assumes the closing of the proposed acquisition of Prospect Health; For more information, 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

⚡ Astrana Health

1. Based on Astrana Health's 2019 Adj. EBITDA to the mid-point of Astrana's 2024 Adj. EBITDA guidance of \$170M
 2. Based on the midpoint of Astrana Health's 2024 Adj. EBITDA guidance of \$170M
 3. Management's estimate for the twelve months ending December 31, 2024

4. Based on implied EBITDA growth from \$170M to \$350M+ of Adj. EBITDA (incl. Prospect Health)
 5. Includes certain businesses and assets relating to Prospect Health System (Prospect Health Plan, Prospect Medical Groups, Prospect Medical Systems, RightRx, Foothill Regional Medical Center)

We've demonstrated our ability to provide better care at lower cost in our core market, California



Launched in Southern CA

Los Angeles 9.7M pop.¹
MCR Improvement: ~1,350 bps²

Built density in Southern CA

San Bernardino 2.2M pop.¹
Riverside 2.5M pop.¹
MCR Improvement: ~750 bps²

Expanded into Northern CA

Bay Area 6.2M pop.¹
MCR Improvement: ~950 bps³

Expanded into Central CA

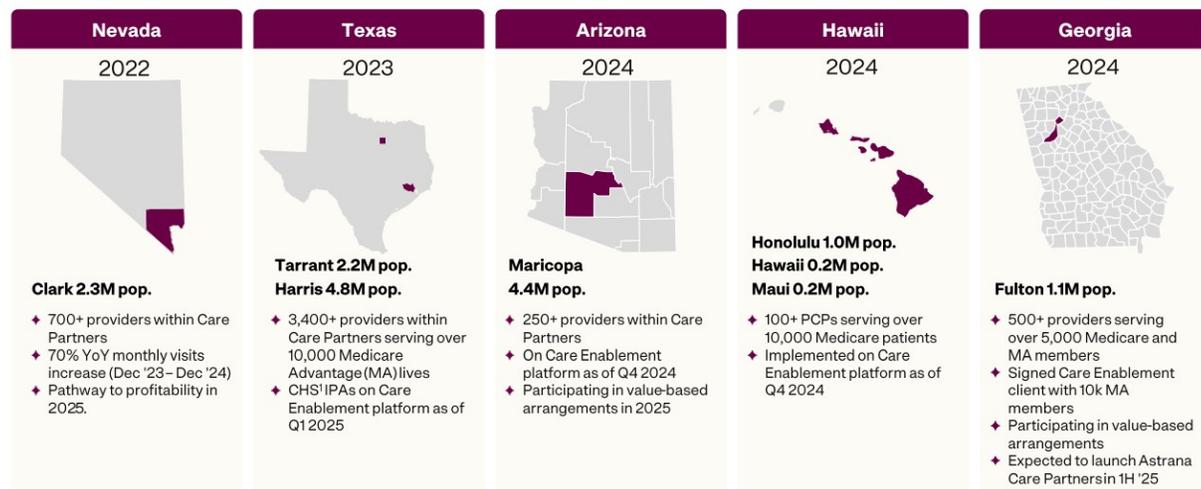
Central Valley 6.1M pop.¹

Deepened CA alignment

- Community Family Care Health Plan and RKK License acquisition
- Prime Community Care of Central Valley and BASS Medical Group join Care Partners
- Anthem Blue Cross partnership
- 6 additional Care Delivery sites
- ~1.8k additional Care Partners providers⁴

Source: U.S. Census Bureau, population data as of 2022; CMS
 1. County population data as of 2022
 2. Reflects the MCR improvement from 2019 to 2023
 3. Reflects MCR improvement from 2021 to 2023
 4. Represents Care Partners providers added between December 2023 and September 2024

We continue to grow into new markets to serve and invest in additional communities across the country



Note: For more information, see "Use of Non-GAAP Financial Measures" slides for more information
 Source: U.S. Census Bureau, population data as of each respective year; Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group
 1. Collaborative Health System

Astrana has the ability to integrate significant inorganic growth profitably through our scalable clinical and technology infrastructure

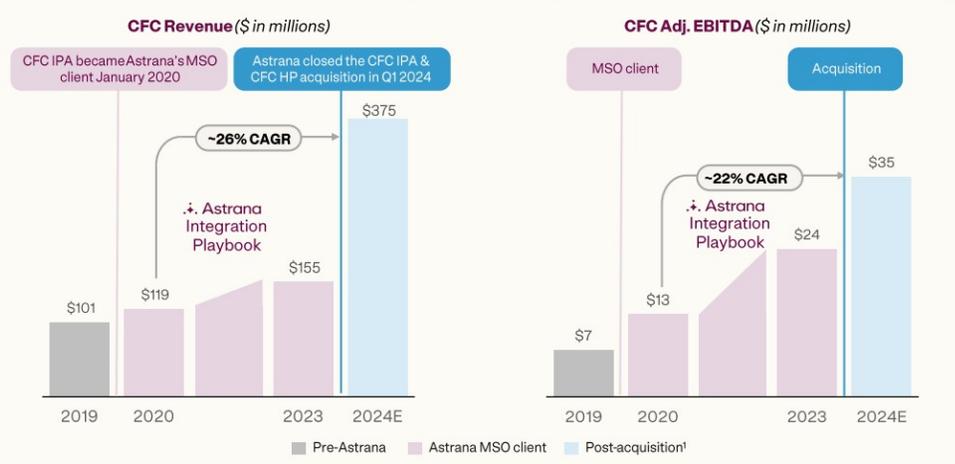
Community Family Care (CFC) overview

Care Partners

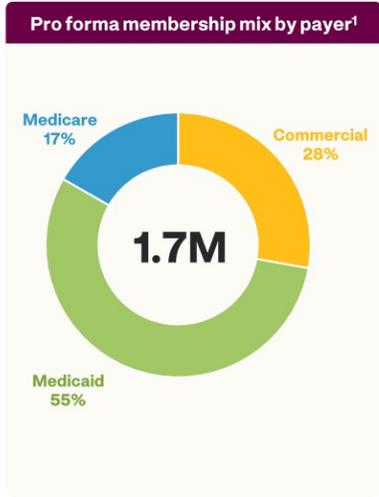
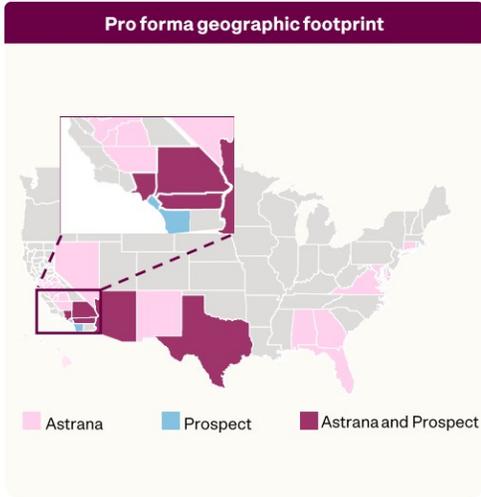
CFC IPA was an independent physician association ("IPA") that managed members across all LOBs in the Los Angeles, California area with 200k+ members, 250+ PCPs, and 400 specialists

CFC Health Plan ("HP") was a Care Enablement client, with a Restricted Knox Keene ("RKK") license for Medicaid members

De-risked integration playbook leveraging scalable infrastructure



Our platform allows us to continue integrating highly complementary inorganic growth



➤ Astrana Health

32 years
Operating history

1.1M
Members in value-based care arrangements

\$1.95-2.03B
2024 Revenue²

\$165-175M
2024 Adj. EBITDA²

37 years
Operating history

610k
Members in value-based care arrangements

\$1.2B
2024 Revenue³

\$81M
2024 Adj. EBITDA³

➤ Astrana Health

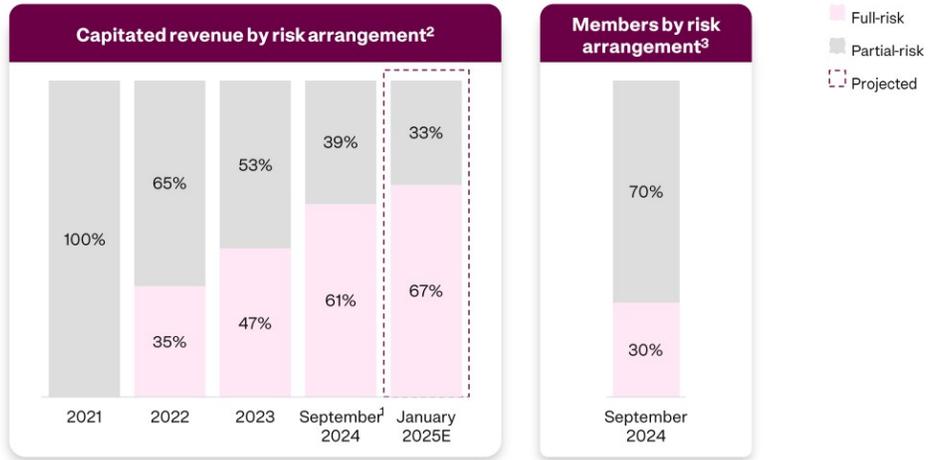
Note: Assumes the closing of the proposed acquisition of Prospect Health; Prospect financial and operating stats shown on page are approximations

1. Based on estimated pro forma members in value-based care arrangements for the twelve months ending December 31, 2024

2. Astrana Health 2024 Guidance as of Q3 2024

3. Management's estimate for the twelve months ending December 31, 2024

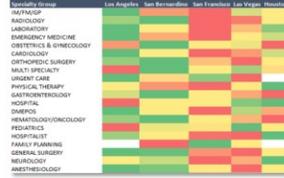
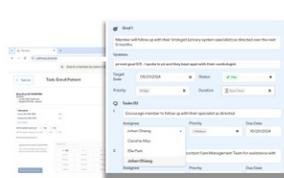
We are increasing the full-risk share of our business to better align incentives around patient outcomes and improve unit economics



Our partial-risk membership presents an **embedded opportunity** for increased platform value and risk alignment. We succeed in these contracts by **continuing to drive positive patient outcomes**.

1. Revenue for the three months ended September 30, 2024
 2. Revenue by risk arrangement represents capitation revenue only
 3. Members by risk arrangement represent Care Partners membership only as of October 1, 2024

Our purpose-built, intelligent, value-based care platform drives scalable and repeatable results across our business



Provider Empowerment and Engagement

- ◆ All-in-one point-of-care tool for both providers and practices
- ◆ Check member eligibility
- ◆ Submit & receive auto-approval for prior auths
- ◆ View & act on quality and risk adjustment gaps
- ◆ Collaborate w/ Care Teams¹
- ◆ View longitudinal patient records, SDOH², and population health data

Care Management & Patient Outcomes

- ◆ Intelligent patient population risk stratification
- ◆ Focused and purposeful member Care Management Plans to ensure evidence-based solutions and responses
- ◆ 250+ full-time employees on our Care Teams¹, improving delivery of care and patient outcomes

Population Health & Analytics

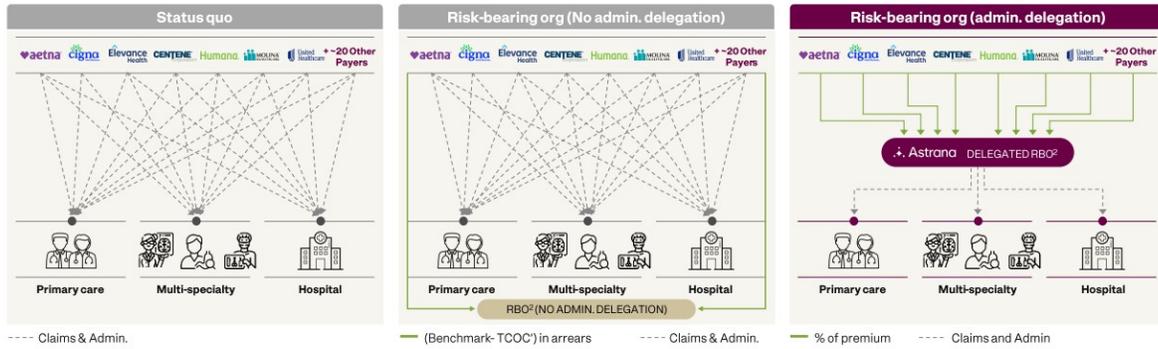
- ◆ NCQA-certified HEDIS[®] engine drives actionable insights, closing gaps in care
- ◆ Composable “Command Center” dashboard highlights trends³ and opportunities to improve access and quality
- ◆ Care access analytics highlights provider network opportunities

Operating Leverage

- ◆ Scalable platform yields meaningful operating leverage
- ◆ 70% prior auths are auto-approved, driving increased access for patients
- ◆ Ability to demonstrably improve operating leverage for third-party Care Enablement clients

1. Astrana Health’s Care Team includes MDs, NPs, PAs, RNs, LVNs, etc.
 2. SDOH = Social Determinants of Health
 3. Trends are customizable by specialty, by region, with trends in prior authorization counts, utilization, costs, among other trends

Astrana's ability to take administrative delegation enables better spend visibility, alignment, and quality



Payer-like administrative services

- Contracting / Network on provider group paper
- Credentialing provider network
- UM within provider ecosystem
- Claims payment



1. Total cost of care
2. Risk-bearing organization

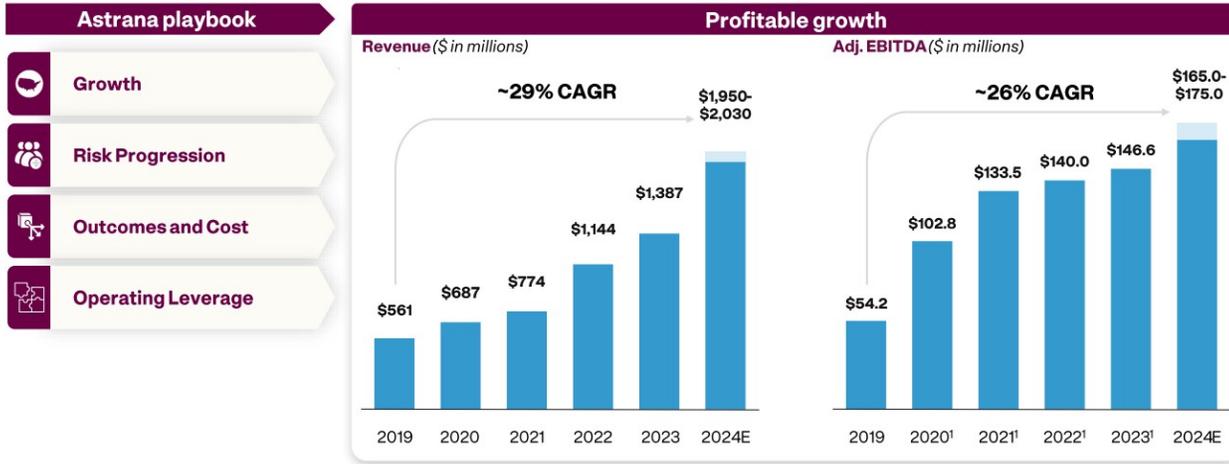
Our Care Enablement platform creates operating leverage for new clients and Care Partners

Data Infrastructure and Provider Solutions				Clinical and Care Coordination Solutions				Payer Delegation Solutions			
Ops Automation	VBE Suite & Data Lake	Point of Care Tools	Analytics & Reporting	Quality	Clinical Programs	RPM ²	UM ³ & Care Management	Provider Relations	Contracting & Credentialing	Revenue Cycle	Prior Authorization

Examples:



Execution of our strategy drives profitable growth



Clear visibility into continued 25%+ growth over the medium term

Astrana Guidance for 2024

(\$ in millions, except for per share information)

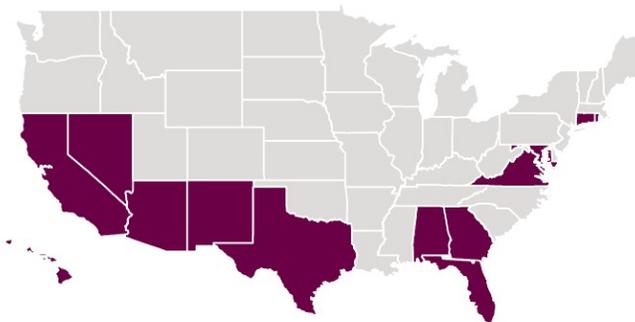
Q3 2024 financial results		FY 2023 Results	2024 Guidance
Revenue	\$478.7	Total Revenue	\$1,386.7 \$1,950 - \$2,030
Net Income attr. to ASTH	\$16.1	Net Income attr. to ASTH	\$60.7 \$52 - \$58
Adjusted EBITDA¹	\$45.2	Adjusted EBITDA¹	\$146.6 \$165 - \$175
EPS - Diluted	\$0.33	EPS - Diluted	\$1.29 \$1.06 - \$1.19

1. See "Reconciliation of Net Income to EBITDA and Adjusted EBITDA," "Updated 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.

Building the premier, patient-centered healthcare platform for all

.+. Astrana Health

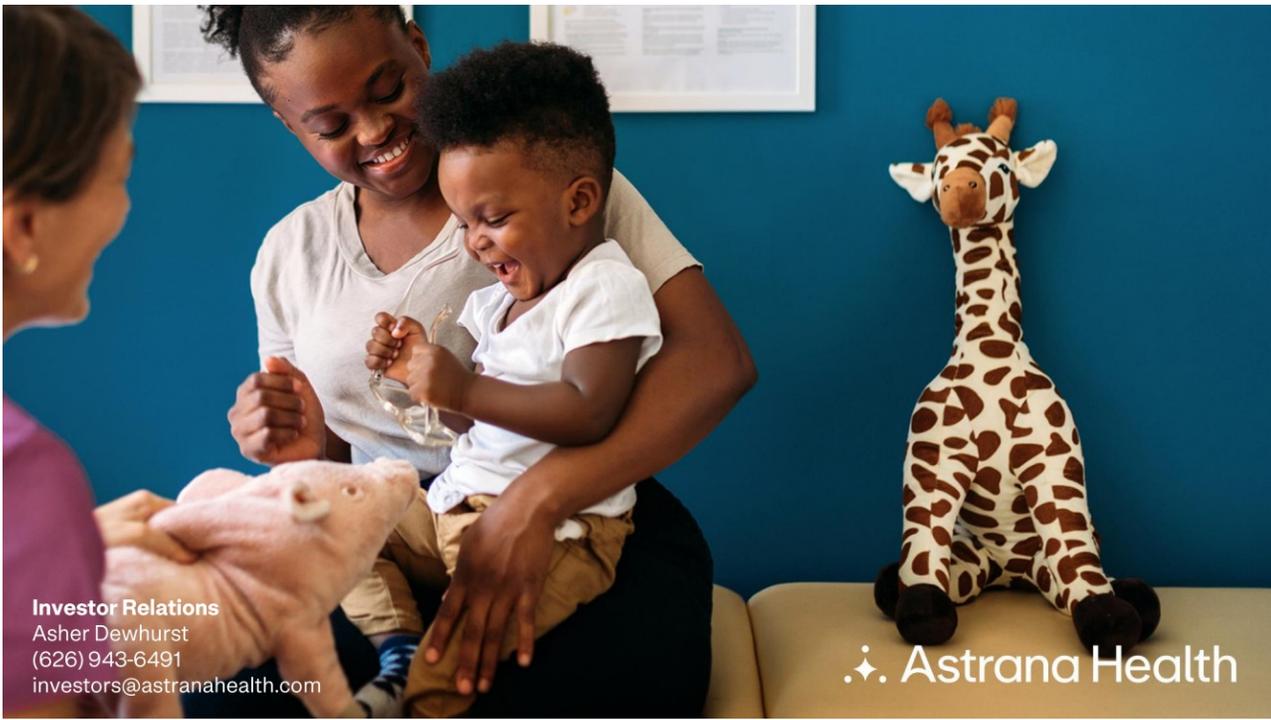
- 
Growth
 Sustainably growing membership to bring better care to more Americans
- 
Risk Progression
 Increasing alignment through total cost of care responsibility in value-based arrangements
- 
Outcomes and Cost
 Achieving superior patient outcomes while managing cost
- 
Operating Leverage
 Driving operating leverage across our business through our Care Enablement suite



				13 States	1.7M VBC Members ¹	20k+ Providers	~\$3.2B 2024 PF Revenue ²	~\$251M 2024 PF Adj. EBITDA ²
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.+. Astrana Health

Note: Assumes the closing of the proposed acquisition of Prospect Health; Financial and leverage stats shown on page are approximations
 1. Members in value-based care arrangements
 2. Financials shown on page based on pro forma 2024 management estimates.



Investor Relations
Asher Dewhurst
(626) 943-6491
investors@astranahealth.com

 Astrana Health

Appendix

↳ Astra Health

Experienced, mission-driven management team with deep clinical knowledge and a proven ability to execute



Brandon K. Sim, MS

President & Chief Executive Officer

Previous Experience



Education



Chan Basho, MBA

Chief Operating & Financial Officer

Previous Experience



Education



Dinesh Kumar, MD

Chief Medical Officer

Previous Experience



Education



Jaime Melkonoff, MBA

SVP & President, AstranaCare Texas

Previous Experience



Education



Jeremy Jackson, MD

Chief Quality Officer

Previous Experience



Education



Summary of Selected Financial Results

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
\$ in thousands except per share data				
Revenue				
Capitation, net	\$ 431,401	\$ 305,678	\$ 1,239,885	\$ 906,430
Risk pool settlements and incentives	21,779	15,022	57,564	48,605
Management fee income	2,747	9,898	8,429	32,287
Fee-for-service, net	18,692	15,892	54,588	41,216
Other revenue	4,091	1,683	8,865	5,087
Total revenue	478,710	348,173	1,369,331	1,033,625
Total expenses	450,285	309,090	1,280,701	945,142
Income from operations	28,425	39,083	88,630	88,483
Net income	\$ 18,981	\$ 27,973	\$ 57,709	\$ 57,943
Net income attributable to noncontrolling interests	2,887	5,914	7,609	9,582
Net income attributable to Astrana Health	\$ 16,094	\$ 22,059	\$ 50,100	\$ 48,361
Earnings per share - diluted	\$ 0.33	\$ 0.47	\$ 1.04	\$ 1.03
EBITDA¹	\$ 39,154	\$ 42,818	\$ 116,255	\$ 102,823
Adjusted EBITDA¹	\$ 45,170	\$ 51,974	\$ 135,332	\$ 117,573

Segment Results

For the three months ended September 30, 2024

\$ in thousands	Care Partners	Care Delivery	Care Enablement	Other	Intersegment Elimination	Corporate Costs	Consolidated Total
Total revenues	\$ 455,760	34,728	40,930	-	(52,708)	-	478,710
% change vs prior year quarter	42%	20%	11%				37%
Cost of services	369,835	29,114	19,604	-	(13,335)	-	405,218
General and administrative expenses ¹	47,139	6,971	15,012	-	(39,370)	15,315	45,067
Total expenses	416,974	36,085	34,616	-	(52,705)	15,315	450,285
Income (loss) from operations	\$ 38,786	(1,357)	6,314	-	(3) ²	(15,315)	28,425
% change vs prior year quarter	(4%)	31%	(2%)				(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.

Balance Sheet Highlights

\$ in millions	9/30/2024	12/31/2023	\$ Change
Cash and cash equivalents and investments in marketable securities ¹	\$350.3	\$296.3	\$54.0
Working capital	\$284.1	\$242.8	\$41.3
Total stockholders' equity	\$709.6	\$616.7	\$92.9

Reconciliation of Net Income to EBITDA & Adjusted EBITDA

\$ in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Income	\$ 18,981	\$ 27,973	\$ 57,709	\$ 57,943
Interest Expense	8,856	3,779	25,028	10,680
Interest income	(3,778)	(3,281)	(11,287)	(9,617)
Provision for income taxes	7,831	10,042	25,004	30,971
Depreciation and amortization	7,264	4,305	19,801	12,846
EBITDA	39,154	42,818	116,255	102,823
Income from equity method investments	(1,353)	2,016	(2,887)	(3,160)
Other, net	1,206 ²	1,723 ³	2,663 ⁴	1,507 ³
Stock-based compensation	6,163	5,706	19,301	13,364
APC excluded assets costs	-	(289)	-	3,039
Adjusted EBITDA	\$ 45,170	\$ 51,974	\$ 135,332	\$ 117,573
Adjusted EBITDA margin¹	9%	15%	10%	11%

1. The Company defines Adjusted EBITDA margin as Adjusted EBITDA over total revenue.

2. Other, net for the three months ended September 30, 2024 relates to non-cash changes related to change in the fair value of our financing obligation to purchase the remaining equity interests in one of our investments, non-cash changes related to change in the fair value of the Company's Collar Agreement, non-cash gain on debt extinguishment related to one of our promissory note payables, and transaction costs incurred for our investments and tax restructuring fees.

3. 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.

4. Other, net for the nine months ended September 30, 2024 relates to financial guarantee via a letter of credit that we provided almost three years ago in support of two local provider-led ACOs, non-cash changes related to change in the fair value of our financing obligation to purchase the remaining equity interests in one of our investments, non-cash changes related to change in the fair value of the Company's Collar Agreement, non-cash gain on debt extinguishment related to one of our promissory note payables, transaction costs incurred for our investments and tax restructuring fees, and reimbursement from a related party of the Company for taxes associated with the Excluded Assets spin-off.

Reconciliation of Net Income to EBITDA & Adjusted EBITDA (continued)

For the twelve months ended \$ in millions	TTM Ended		Year Ended			
	September 30, 2024	2023	2022	2021	2020	2019
Net Income	\$ 57.6	\$ 57.8	\$ 45.7	\$ 46.1	\$ 122.1	\$ 15.8
Interest expense	30.4	16.1	7.9	5.4	9.5	4.7
Interest income	(15.9)	(14.2)	(2.0)	(1.6)	(2.8)	(2.0)
Provision for income taxes	26.0	32.0	40.9	31.7	56.3	10.0
Depreciation and amortization	24.7	17.7	17.5	17.5	18.4	18.3
EBITDA¹	122.9	109.5	110.1	99.1	203.5	46.8
Goodwill impairment	-	-	-	-	-	2.0
Income (loss) from equity method investments	(4.9)	(5.1)	(5.7) ⁶	5.3 ⁶	(0.3) ⁶	2.9
Gain on sale of equity method investment	-	-	-	(2.2)	-	-
Other, net	7.4 ⁷	6.2 ²	3.3 ³	(1.7) ⁴	(0.5) ⁴	-
Stock-based compensation	28.0	22.0	16.1	6.7	3.4	0.9
APC excluded assets costs	10.9	14.0	16.2 ⁶	26.4 ⁶	(103.3) ⁶	1.5
Adjusted EBITDA¹	\$ 164.3	\$ 146.6	\$ 140.0	\$ 133.5	\$ 102.8	\$ 54.2
Net Revenue	\$ 1,722.4	\$ 1,386.7	\$ 1,144.2	\$ 773.9	\$ 687.2	\$ 560.6
Adjusted EBITDA Margin⁵	10%	11%	12%	17%	15%	10%

1. See "Use of Non-GAAP Financial Measures" slide for more information; 2. Other, net for the year ended December 31, 2023 consists of nonrecurring transaction costs and tax restructuring fees incurred, non-cash gains and losses related to the changes in the fair value of our financing obligation to purchase the remaining equity interests, contingent liabilities, and the Company's Collar Agreement, and excise tax related to a nonrecurring buyback of the Company's stock from APC; 3. Other, net for the year ended December 31, 2022 consists of one-time transaction costs incurred and non-cash gains and losses related to the changes in the fair value of our financing obligation to purchase the remaining equity interests and contingent considerations; 4. Other, net for the years ended December 31, 2021 and 2020 relate to COVID-19 relief payments recognized in 2021 and 2020; 5. The Company defines Adjusted EBITDA margin as Adjusted EBITDA over total revenue; 6. 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; 7. Other, net for TTM ended September 30, 2024 consists of non-cash gain on debt extinguishment related to one of our promissory note payables, a reimbursement from a related party of the Company for taxes associated with the Excluded Assets spin-off, a financial guarantee via a letter of credit that we provided almost three years ago in support of two local provider-led ACOs, nonrecurring transaction costs and tax restructuring fees incurred, non-cash gains and losses related to the changes in the fair value of our financing obligation to purchase the remaining equity interests, contingent liabilities, and the Company's Collar Agreement, and excise tax related to a nonrecurring buyback of the Company's stock from APC.

Guidance Reconciliation of Net Income to EBITDA & Adjusted EBITDA

(in thousands, \$)	2024 Guidance Range	
	Low	High
Net Income	59,340	66,240
Interest expense	18,750	18,750
Provision for income taxes	26,660	29,760
Depreciation and amortization	27,500	27,500
EBITDA	132,250	142,250
Loss (income) from equity method investments	(4,250)	(4,250)
Other, net	5,000	5,000
Stock-based compensation	32,000	32,000
Adj. EBITDA	165,000	175,000

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