
agilon health
October 2021

Disclaimers and Forward-Looking Statements

FORWARD-LOOKING STATEMENTS AND OTHER IN FORMATION

Statements in this presentation that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among other things, statements regarding our and our officers’ intent, belief or expectation as identified by the use of words such as “may,” “will,” “project,” “expect,” “believe,” “intend,” “anticipate,” “seek,” "target," “forecast,” “plan,” “potential,” “estimate,” “could,” “would,” “should,” and other comparable and derivative terms or the negatives thereof. Examples of forward-looking statements include, among other things: (i) statements regarding timing, outcomes and other details relating to current, pending or contemplated new markets, new partnership structures, financing activities, dispositions, or other transactions discussed in this release; and (ii) statements regarding growth opportunities, ability to deliver sustainable long-term value, business environment, long term opportunities and strategic growth plan including without limitation with respect to expected revenue and net income, total and average membership, Adjusted EBITDA, and other financial projections and assumptions, as well as comparable statements included in other sections of this release. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could significantly affect our future financial condition and results of operations. While forward-looking statements reflect our good faith belief and assumptions we believe to be reasonable based upon current information, we can give no assurance that our expectations or forecasts will be attained. Further, we cannot guarantee the accuracy of any such forward-looking statement contained in this presentation, and such forward-looking statements are subject to known and unknown risks and uncertainties that are difficult to predict. These risks and uncertainties that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, but are not limited to: our history of net losses, and our ability to achieve or maintain profitability in an environment of increasing expenses; our ability to identify and develop successful new geographies, physician partners and payors, or to execute upon our growth initiatives; our ability to execute our operation strategies or to achieve results consistent with our historical performance; our expectation that our expenses will increase in the future and the risk that medical expenses incurred on behalf of members may exceed the amount of medical revenues we receive; our ability to secure contracts with Medicare Advantage payors or to secure Medicare Advantage at favorable financial terms; our ability to recover startup costs incurred during the initial stages of development of our physician partner relationships and program initiatives; significant reductions in our membership; challenges for our physician partners in the transition to a Total Care Model; inaccuracies in the estimates and assumptions we use to project the size, revenue or medical expense amounts of our target market; the spread of, and response to, the novel coronavirus, or COVID-19, and the inability to predict the ultimate impact on us; security breaches, loss of data or other disruptions to our data platforms; the impact of devoting significant attention and resources to the provision of certain transition services in connection with the disposition of our California operations; our subsidiaries’ lack of performance or ability to fund their operations, which could require us to fund such losses; our dependence on a limited number of key payors; the limited terms of our contracts with payors and that they may not be renewed upon their expiration; our reliance on our payors for membership attribution and assignment, data and reporting accuracy and claims payment; our dependence on physician partners and other providers to effectively manage the quality and cost of care and perform obligations under payor contracts; our dependence on physician partners to accurately, timely and sufficiently document their services and potential False Claims Act or other liability if any diagnosis information or encounter data are inaccurate or incorrect; reductions in reimbursement rates or methodology applied to derive reimbursement from, or discontinuation of, federal government healthcare programs, from which we derive substantially all of our total revenue; statutory or regulatory changes, administrative rulings, interpretations of policy and determinations by intermediaries and governmental funding restrictions, and their impact on government funding, program coverage and reimbursements; regulatory proposals directed at containing or lowering the cost of healthcare and our participation in such proposed models; the impact on our revenue of CMS modifying the methodology used to determine the revenue associated with MA members; our substantial indebtedness and the potential that we may incur additional indebtedness; and risks related to other factors discussed under “Risk Factors” in our Registration Statement on Form S-1. Except as required by law, we do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, which speak only as of the date on which they are made.

NON-GAAP

This presentation includes references to non-GAAP financial measures, including but not limited to Adjusted EBITDA and network contribution. Management believes network contribution and Adjusted EBITDA help identify underlying trends in agilon’s business and facilitate evaluation of period-to-period operating performance of agilon’s live geographies by eliminating items that are variable in nature and not considered by the Company in the evaluation of ongoing operating performance, allowing comparison of agilon’s recurring core business operating results over multiple periods. The Company also believes network contribution and Adjusted EBITDA provide useful information about agilon’s operating results, enhance the overall understanding of past performance and future prospects, and allow for greater transparency with respect to key metrics used for financial and operational decision-making. Management believes network contribution and Adjusted EBITDA or similarly titled non-GAAP measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in agilon’s industry as a measure of financial performance. Other companies may calculate network contribution and Adjusted EBITDA or similarly-titled non-GAAP measures differently from the way the Company calculates these metrics. As a result, the Company’s presentation of network contribution and Adjusted EBITDA may not be comparable to similarly titled measures of other companies, limiting their usefulness as comparative measures. Adjusted EBITDA and network contribution have limitations as analytical tools and should not be considered in isolation or as an alternative to GAAP measures or other financial statement data presented in agilon’s consolidated financial statements. Reconciliation of such non-GAAP measures to the applicable GAAP measures are set forth in the appendix.

TRADEMARKS

All rights to the trademarks included herein, other than the Company’s trademarks, belong to their respective owners and our use hereof does not imply any endorsement by the owners of these trademarks.

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Who We Are

We Are…

Unlocking Medicare Advantage growth and value-based care at scale by partnering with leading independent physician groups

We Enable…

Existing physicians to quarterback their patients' total health needs

Creating a…

Highly aligned and efficient model

Resulting in…

A rapidly growing network of likeminded partners generating better outcomes for patients, physicians, and communities

20
Year exclusive partnerships

17
Diverse geographies among live and implementing markets

230K+
Medicare Advantage members including live and implementing markets

50k+
Direct Contracting members across 5 Direct Contracting Entities

$1.2B
2020 revenue

60%
2018-2020 revenue CAGR

Note: Implementing markets refers to partners in geographies for which we are contracted to go-live in 2021 and 2022; 2020 numbers are unaudited and reflect continuing operations

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Investment Highlights



Large, Growing Addressable Market



First Mover Advantage



Long-Term Alignment with Local Physician Leaders



Unlocking Diverse & Non-Traditional Geographies



Physicians Are Winning

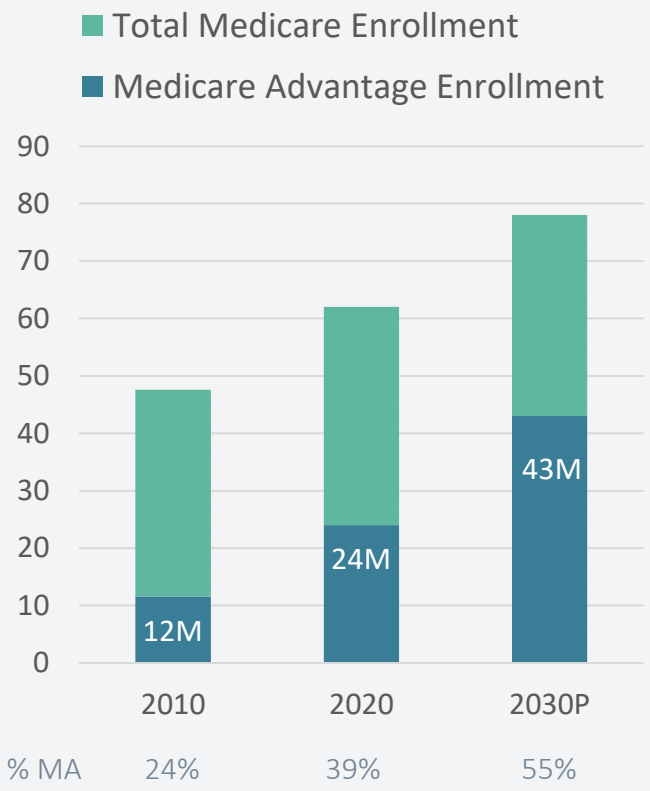


Efficient Growth Model

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Structural Changes Define the Future

Senior Population Is Growing



Healthcare Now Focused on Outcomes

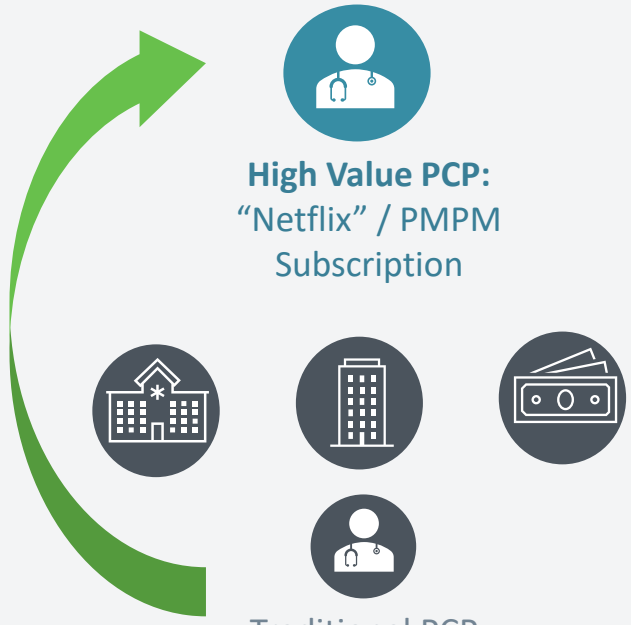
$750B of Healthcare Spending is Wasted (or 25%)

91% of Health Plans Believe Value-Based Payments Will Increase

14% of MA Payments Use Population-Based Models

Primary Care Redefined

PCPs influence up to 90% of costs



High Value PCP:
"Netflix" / PMPM Subscription

Traditional PCP:
"Blockbuster"/ FFS Transactional

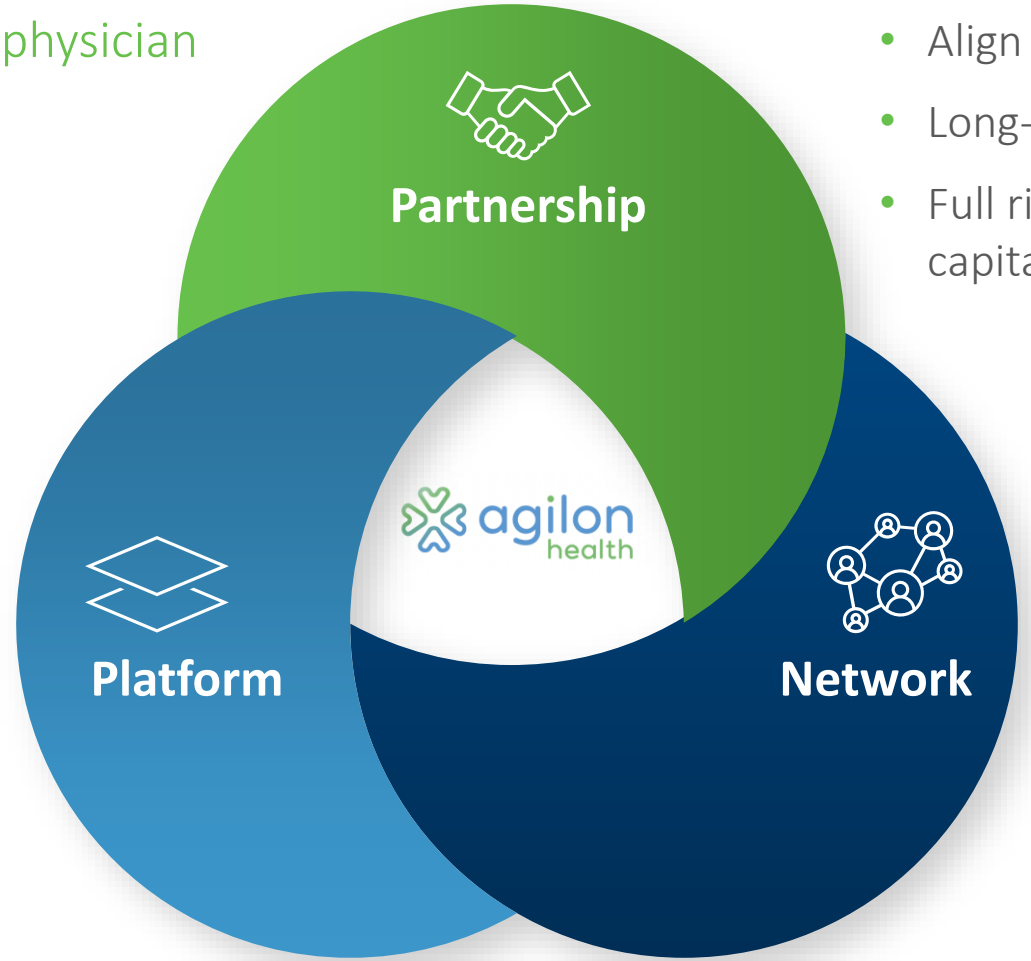
Sources: CMS, CBO, Institutes of Medicine, KHN, Health Care Payment Learning & Action Network, Mercer

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

agilon Total Care Model

Move everything closer to the physician

- Purpose-built agilon Total Care Model
- Created with physicians for physicians



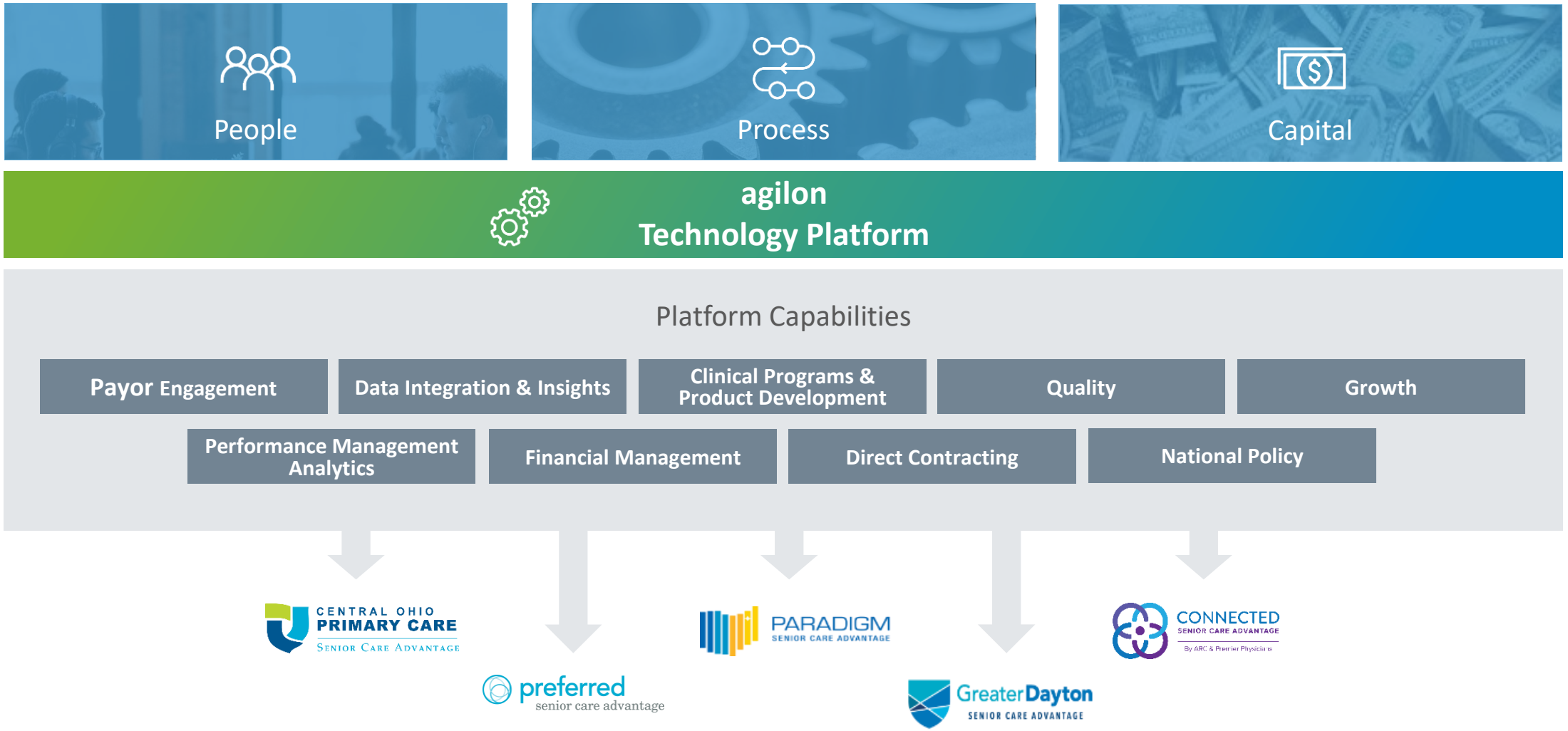
- Align PCP economics with outcomes
- Long-term JV with physician groups
- Full risk, multi-payor globally capitated Medicare line of business

- Like-minded group of entrepreneurial physicians
- Share best practices to drive clinical innovation

Create a single and purposeful **senior experience**	**Reframe processes** around aligned physician relationship	Align through powerful physician governance to **drive outcomes**

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Purpose-Built Full Stack Platform

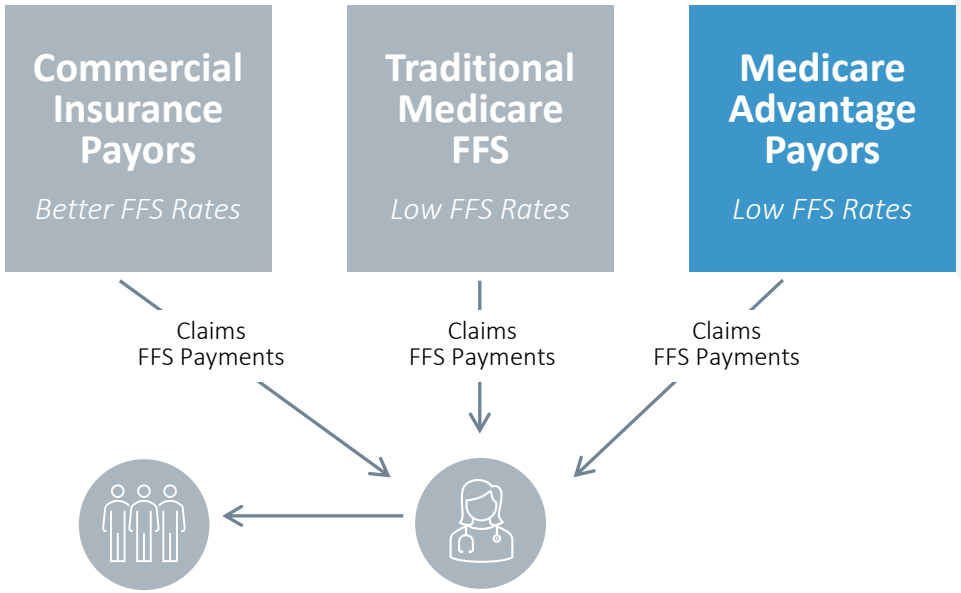


Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

“Flipping” Medicare Advantage to a Single Risk Line Of Business

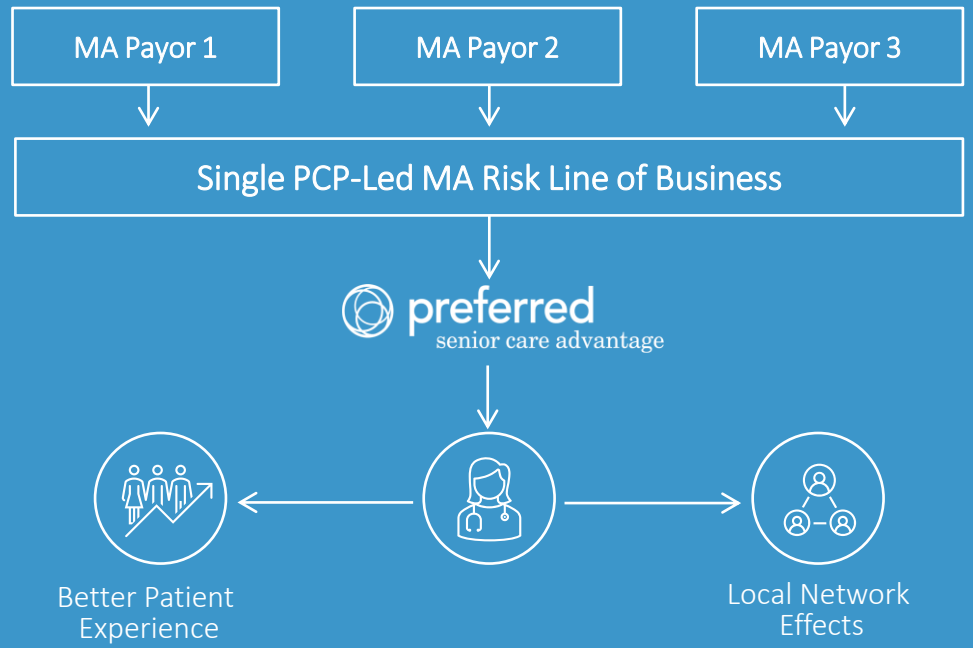
CURRENT STATE

Traditional FFS Model



agilon

Total Care Model

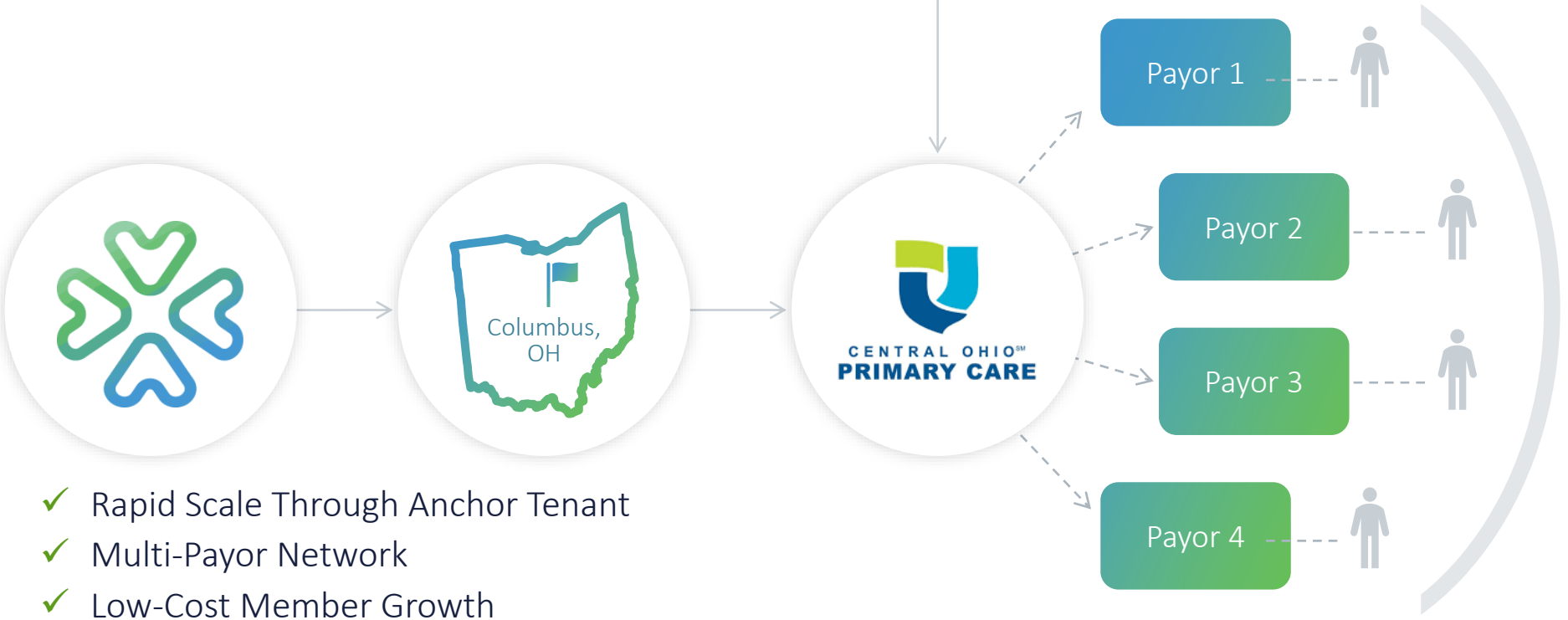


Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Unlocking Geography At Scale - First Mover Advantage



In-market membership growth opportunity



~180 → ~230
PCP Growth
from 2017-2020

21K → 37K
MA Member Growth
From 2017-2020

- ✓ Rapid Scale Through Anchor Tenant
- ✓ Multi-Payor Network
- ✓ Low-Cost Member Growth
- ✓ Barrier to Entry
- ✓ Low-Cost Market Expansion

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Diverse Markets Benefit Equally



Pinehurst Medical Clinic

nextgen healthcare

FirstMedicareDirect
FIRSTCAROLINACARE INSURANCE COMPANY

Humana

410K
18+ population

38%
MA penetration

12%
MA Growth

72%
PPO penetration



Buffalo Medical Group
Treating people well.

Epic

HealthNow
HealthNow New York Inc.

Independent Health

1.21M
18+ population

61%
MA penetration

4%
MA Growth

26%
PPO penetration

Note: All stats reflect market statistics for all exclusive contracted geographies except for partner share which reflects approximate partner share of total MA lives in primary service geography; MA penetration refers to Medicare Advantage lives as a percentage of total Medicare Lives; PPO Penetration reflects % of MA beneficiaries enrolled in a PPO product; Growth rate reflects 5 year compound annual growth rate

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

All Stakeholders Benefit

*"This partnership **allows me to practice medicine and care for patients the way I was trained to.**" - Gary Pinta, MD (Pioneer)*

PATIENTS

83
Patient NPS

78%
wellness visit completion vs. 35% national CMS benchmark

95%
of members agree that they receive comprehensive, high quality care

PROVIDERS

73
Physician NPS



Share in financial surplus

>90%
believe that quality of care programs enabled better care

PAYORS



Growing membership



Consistent gross margin



Shift to value and strategic partner

COMMUNITY

42%
Lower ER utilization

47%
Lower inpatient acute utilization

26%
Lower hospital readmission rate

*Sustainable **Community-Based Primary Care***

Note 1: Patient and Provider NPS and statistics reflect 2020 survey data for physicians and their attributed patients in live anchor physician group partner geographies
Note 2: ER utilization, inpatient care utilization, hospital readmissions relative to Medicare FFS benchmarks

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Better Results For Physicians and Patients

Technology & Aligned Physicians Improve Care Delivery

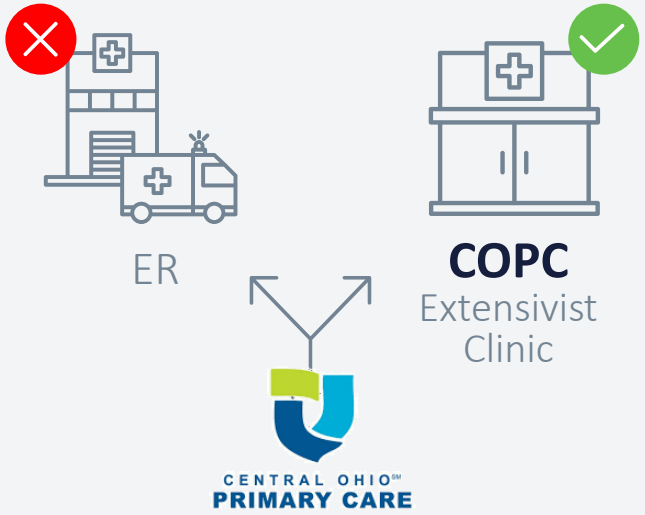
Referral Insight Program

Referrals to Tier 1 Specialists in **Akron**



Physicians Manage The Entire Continuum of Care

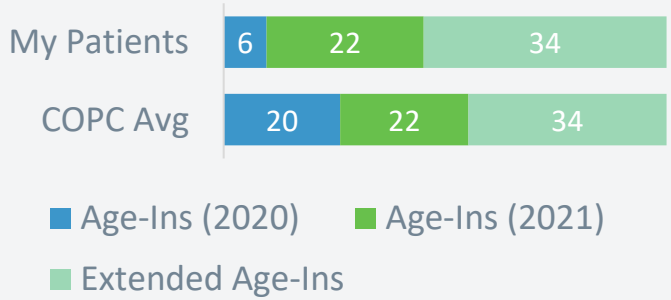
Investing Ahead of the Outcome



Physicians Engaged in The Growth of Their Business

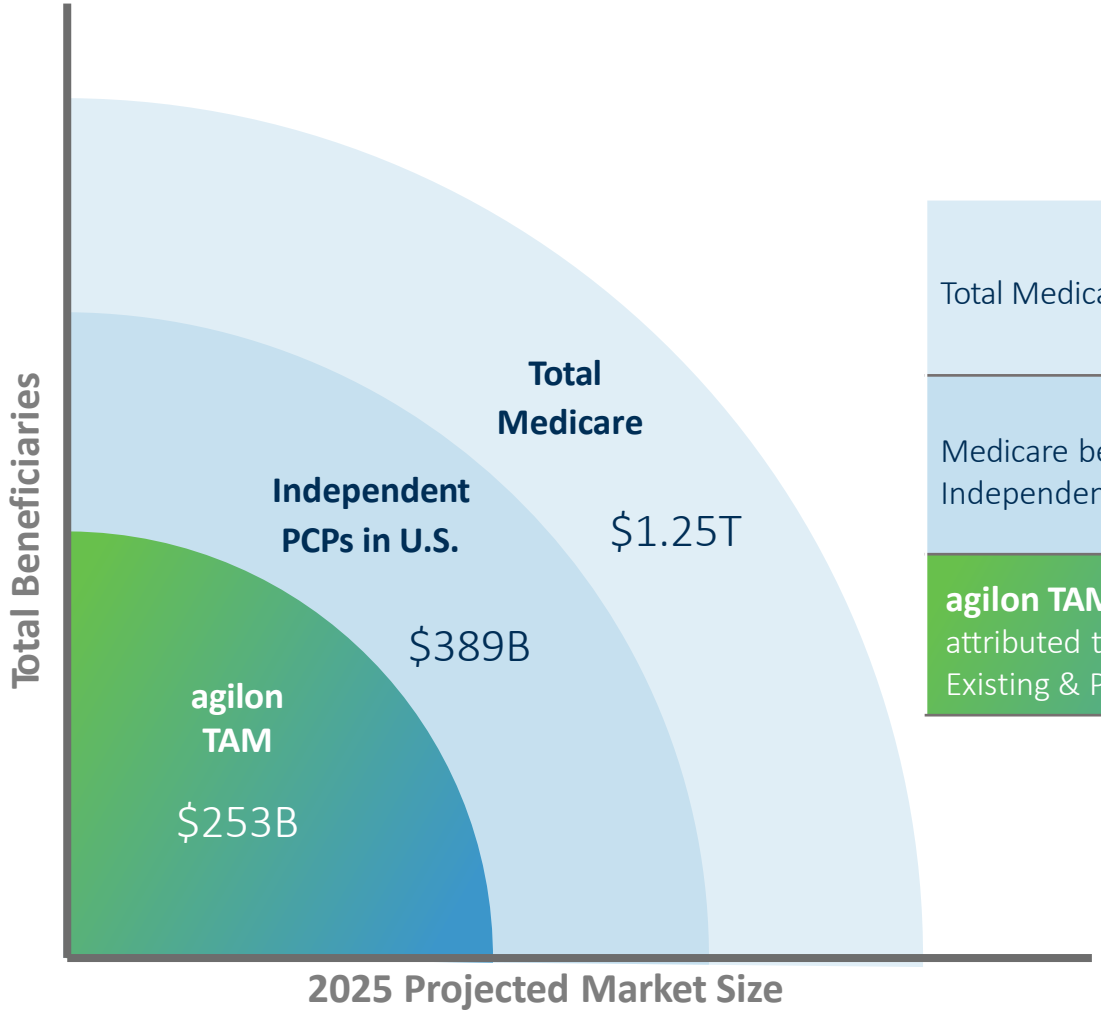
Personalized Growth Dashboard

Age-In and Extended Age-In Growth Opportunity



Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Highly Actionable Addressable Market



Rapidly Expanding Actionable TAM Growing at 8% CAGR

	2020		Projected 2025	
	# Patient	Spend (1)	# Patient	Spend (2)
Total Medicare beneficiaries	61.7M	$859B	70.3M	$1,250B
Medicare beneficiaries attributed to Independent PCPs	26.7M	$267B	30.4M	$389B
agilon TAM: Medicare beneficiaries attributed to Independent PCPs in Existing & Prioritized Geographies	17.5M	$175B	19.8M	$253B

- ✓ **$80B** is concentrated in existing states (3)
- ✓ **$24B** is concentrated in existing counties (3)
- ✓ **$3.8B** within our existing provider group panels (3)

(1) *2020 Medicare spend for total Medicare beneficiaries based on CMS spend per beneficiary.*
(2) *2025 Medicare spend for total Medicare beneficiaries, beneficiaries attributed to independent PCPs and agilon total addressable market is based on CMS projected Medicare enrollment and spending per beneficiary growth rates.*
(3) *Existing states refers to states where we have a physician partner or a signed letter of intent with a physician group as of January 2021; existing counties refers to counties in which we currently have a physician partner or a signed letter of intent with a physician group as of January 2021; existing provider group panels refers to the Medicare FFS beneficiaries and commercial patients expected to age into Medicare over the next five years within our provider groups*

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

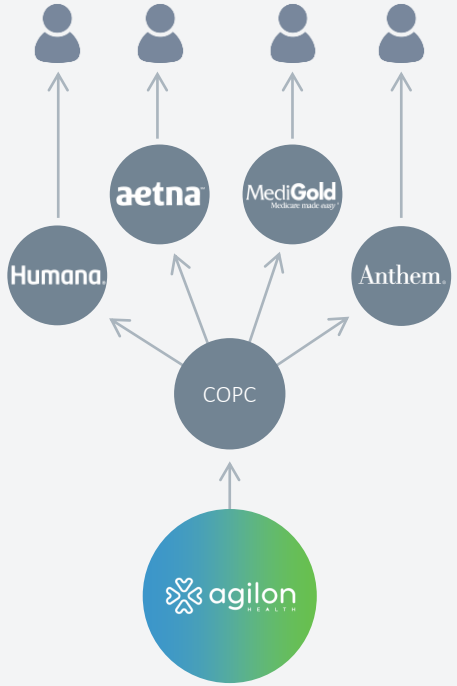
How Our Systematic Approach is Working

Membership CAGR of 41% in Ohio and 17% in Columbus from 2018-2021

Identify Anchor → Establish Network → Access Embedded Lives → Add PCPs → Network Effects



CENTRAL OHIO PRIMARY CARE

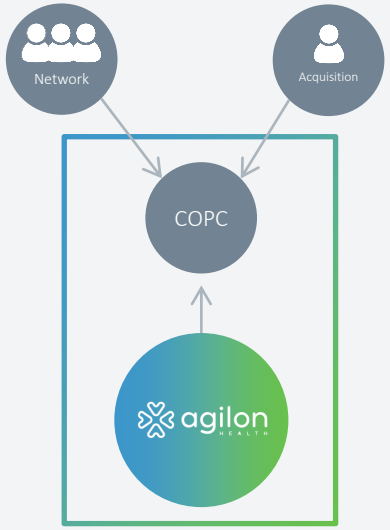


PCP Panel

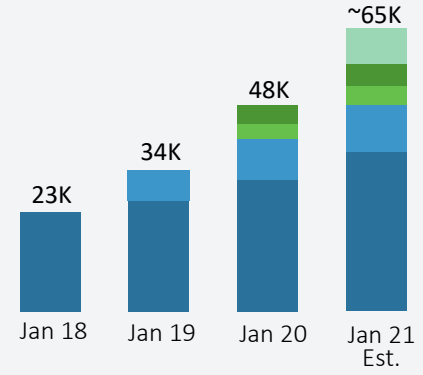
- Medicare Advantage
- Medicare FFS
- Commercial (Age-In)

Embedded Organic Growth

PCPs Join Anchor or Network



Members in Ohio



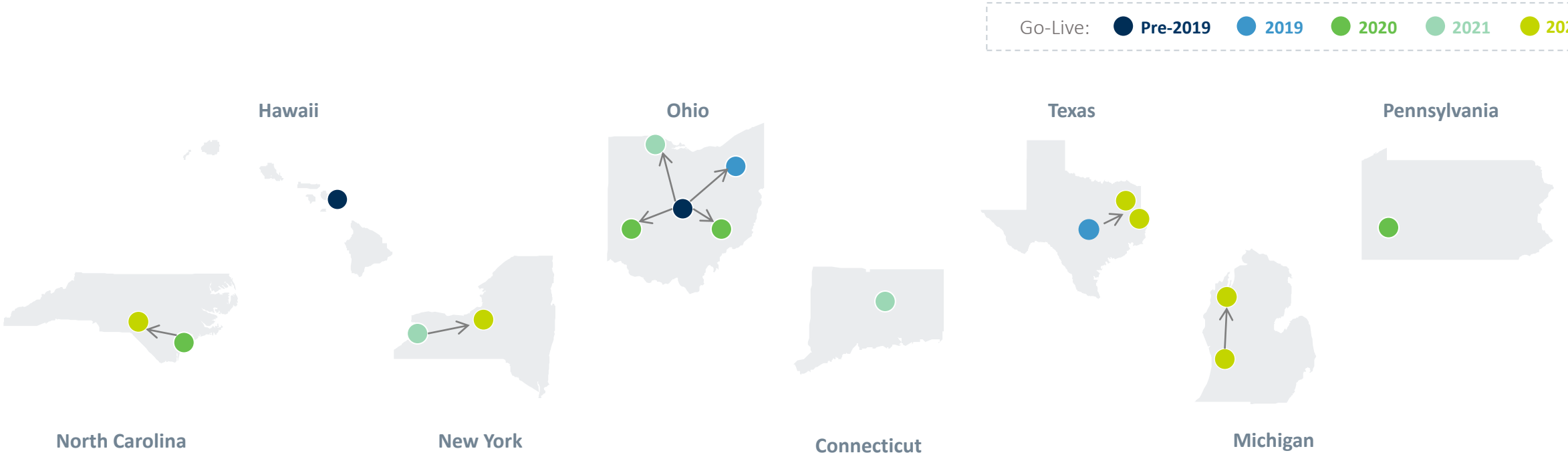
PriMED Physicians — Treating You Well®
Physicians Group of Southeastern Ohio
Pioneer Physicians Network — First in Health
The Toledo Clinic — Choose well. Feel better.®

Note: Columbus same geography membership CAGR based on year-end membership from December 2017-2020

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Scaling Nationally - 8 States and 17 Geographies

Successfully executing hub and spoke strategy across multiple geographies



2017	2018	2019	2020	Today
1 Geography 29K Members	2 Geographies 57K Members	4 Geographies 90K Members	8 Geographies 131K Members	17 Geographies 200K+ Members

Note: Geographies and members on the platform today include partnerships for which we are contracted to go live in 2022

agilon health

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Financial Model

agilon health

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Key Attributes of agilon's Financial Model

Highly efficient growth model accesses embedded TAM and margins over time



Long Term Partnerships

- **20-year partnerships** with leading independent physician groups
- Aligned model enables access to embedded TAM and margin



High Visibility

- Revenue based on **subscription-like per member per month payments**
- Same Market growth supported by demographics and MA penetration
- New Markets implement and go-live over 18 to 24-month period



Efficient Growth

- **Market entry through partnership with existing capacity**
- Minimal CAC for incremental members after market is live
- 17% Same Market membership growth for 2020 in existing geographies



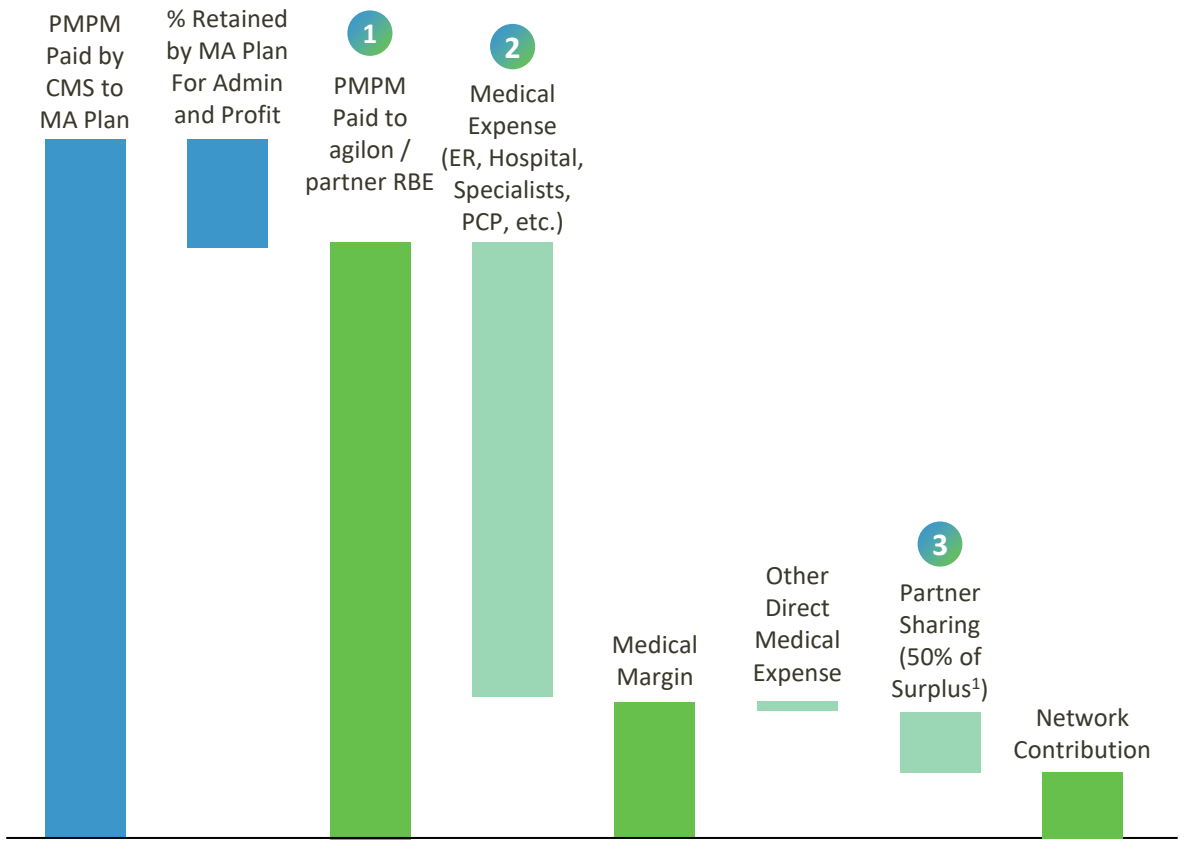
Embedded Long-Term Margins

- **70% of membership has been live on platform for less than 3 years**
- Medical Margin PMPM has increased from $83 to $139 for Yr 3+ Geos
- Significant operating leverage against overhead

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

agilon health Economic Model

Illustrative Economic Model



1. *For the purposes of calculating partner sharing, we allocate a portion of our enterprise general and administrative expenses to our geographies. Partners access surplus sharing when certain quality metrics are achieved.*

Comments

1. agilon RBEs enter into 20-year PSAs with anchor PCP partner and global capitation agreements with multiple MA plans

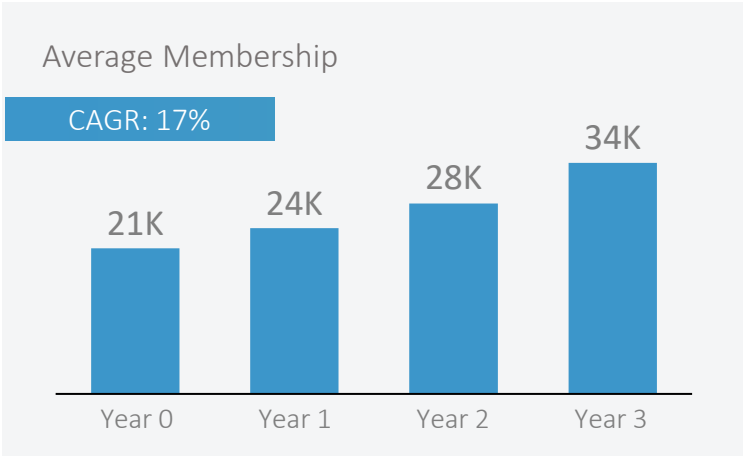
2. agilon Total Care Model improves clinical and quality experience for patients and allows for better management of healthcare costs

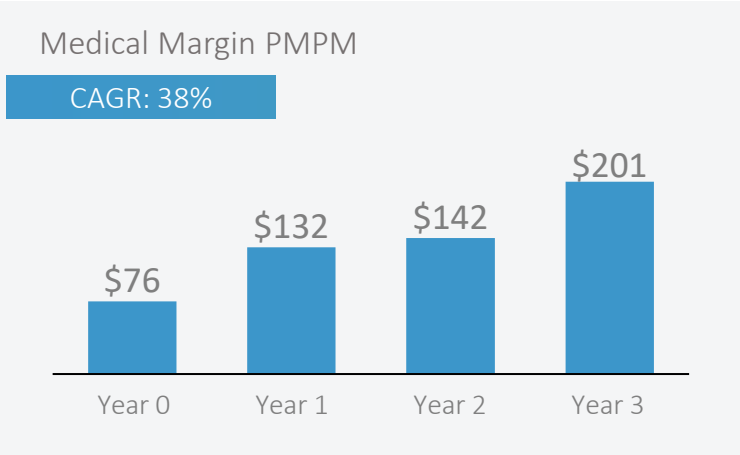
3. Surplus is shared with partner group, aligning incentives with improving health outcomes

Copyright © 2021 agilon health. Confidential internal document containing proprietary infor

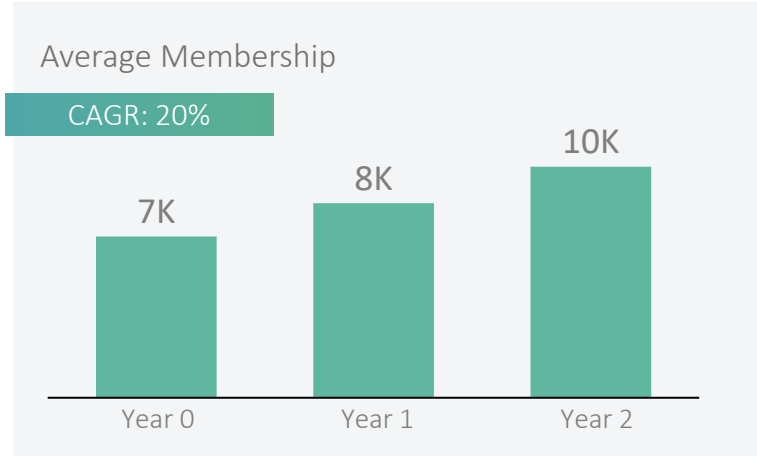
Maturing Long-Term Margin on a Growing Membership Base

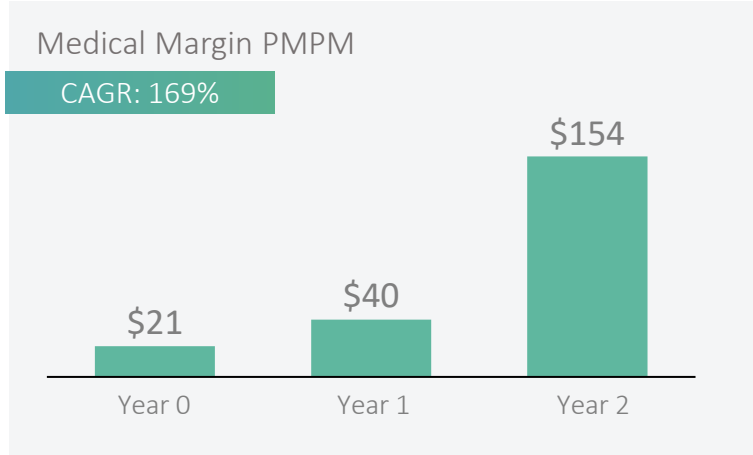
Geography 1



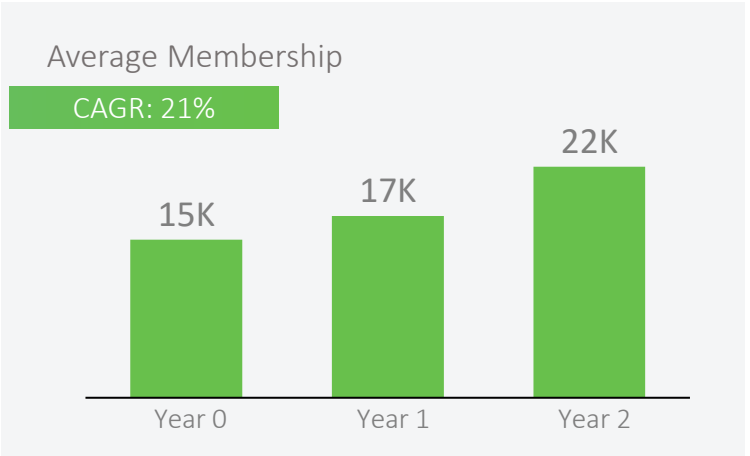


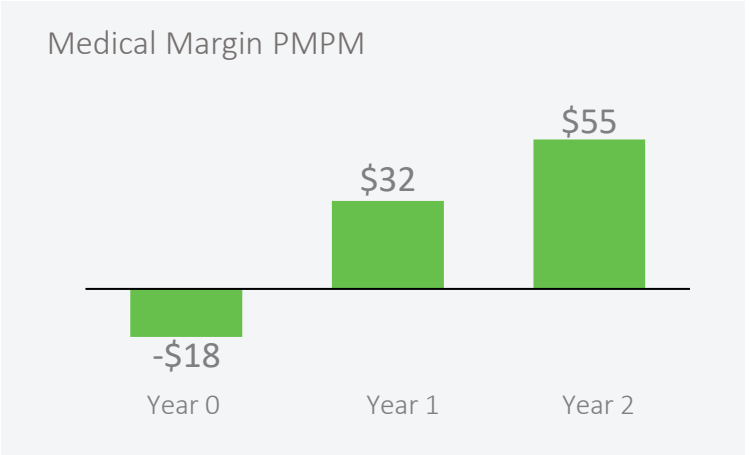
Geography 2





Geography 3





Note: Year 0 is the period of implementation prior to a geography being live. Year 0 statistics are attributable to the respective geography before joining on our platform. Most recent year reflects results for the period ending December 31, 2020

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Highly Attractive LTV / CAC Dynamics

Example Geography Within Ohio

Market Launch Cost of $2.7M

$400 per member CAC Year 0
$110 incremental per member CAC

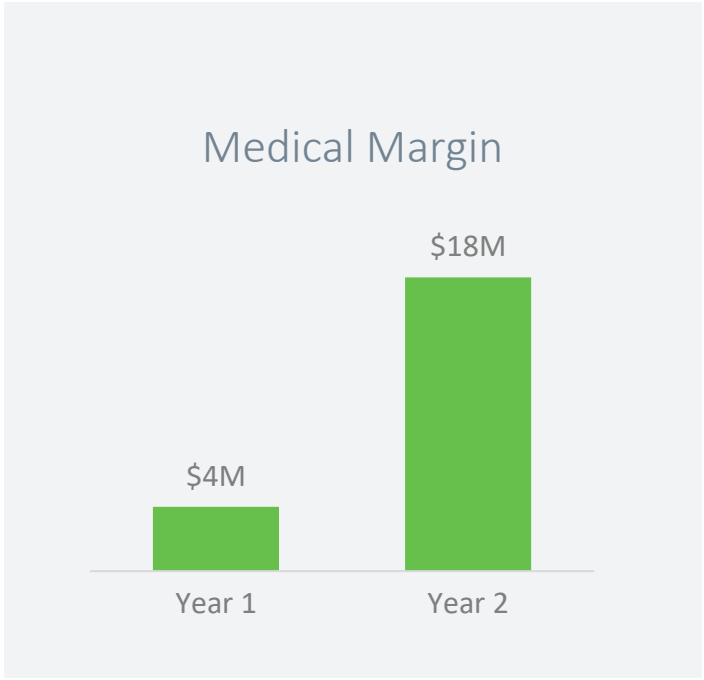
Nominal Ongoing CAC

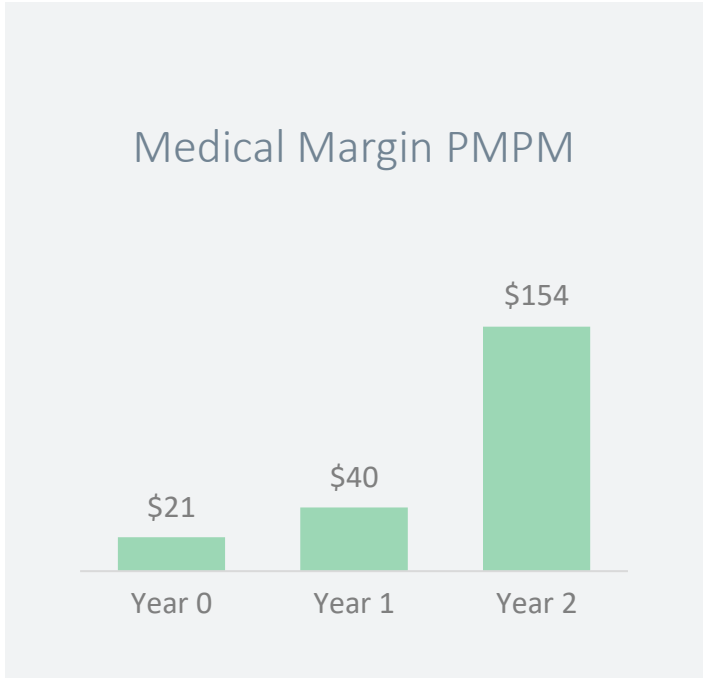
No costs for brick and mortar footprint

Compelling LTV/CAC

Payback period of 1-2 years across live markets







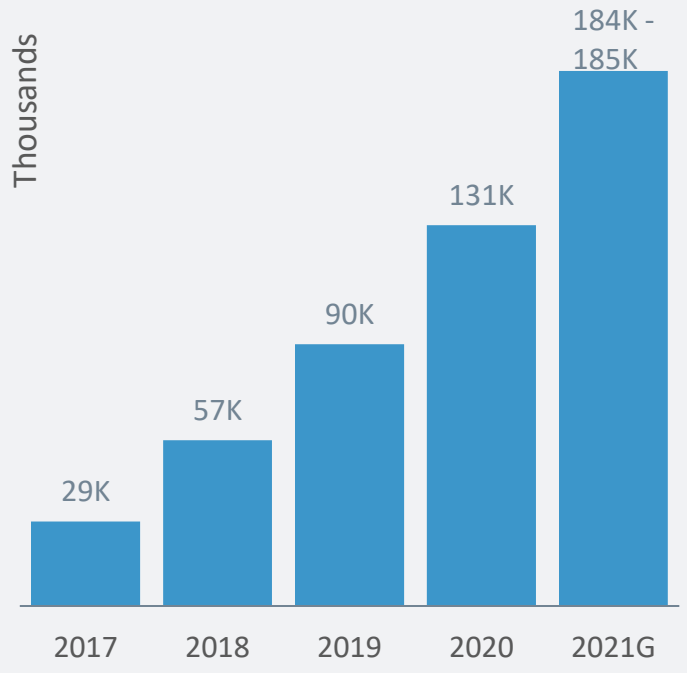
Note: Year 0 is the period of implementation prior to a geography being live. Year 0 statistics attributable to the respective geography before joining on our platform.

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Significant Network Momentum

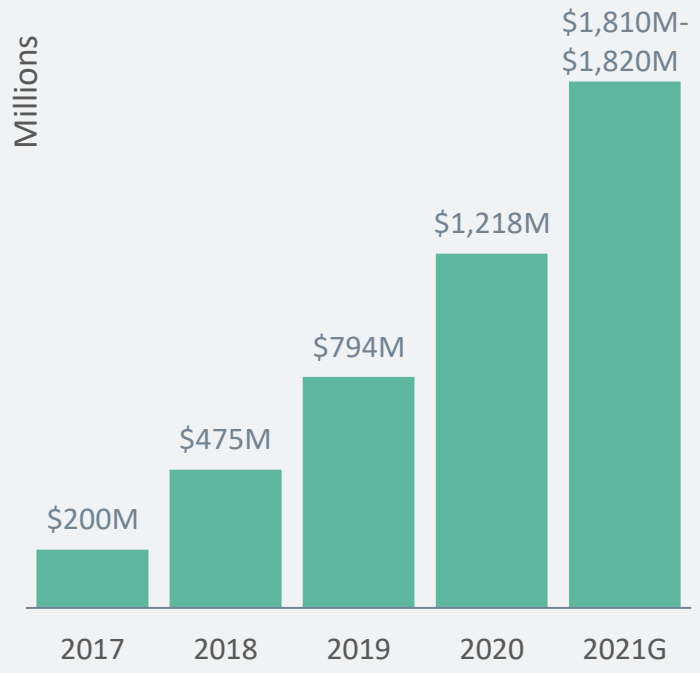
Membership

CAGR: 65%



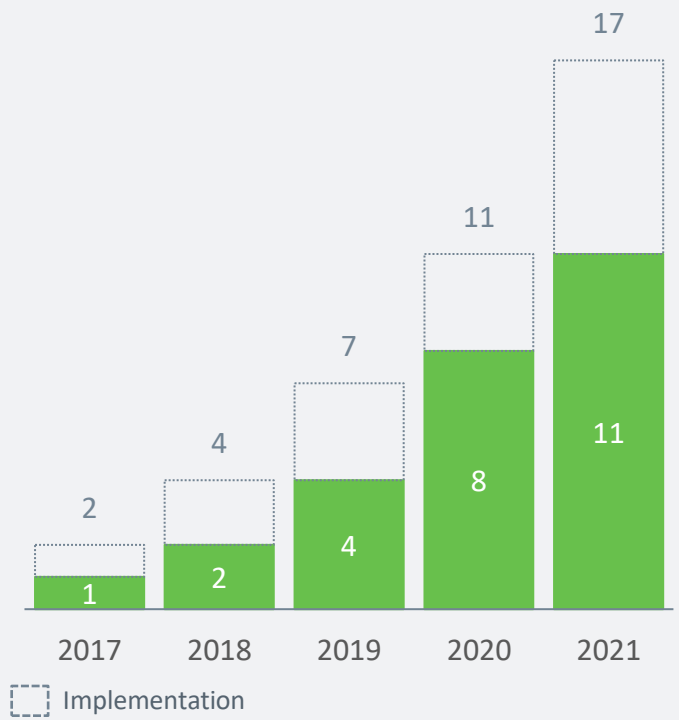
Revenue

CAGR: 83%



Geographies on the Platform

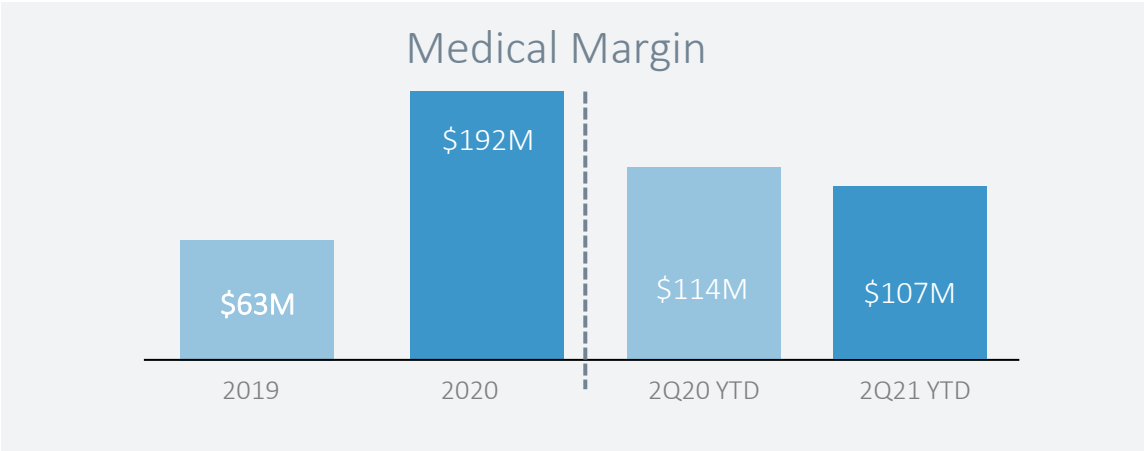
(Live and Implementation)

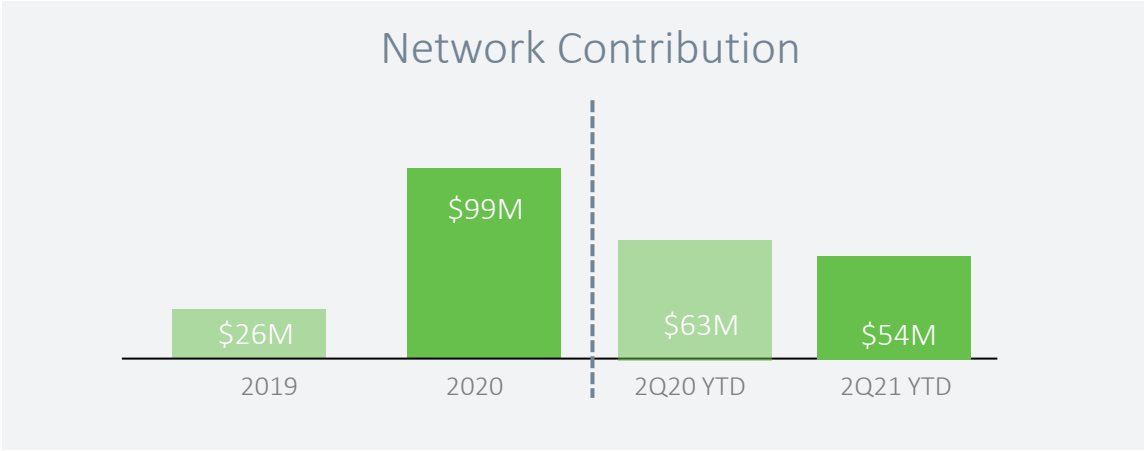


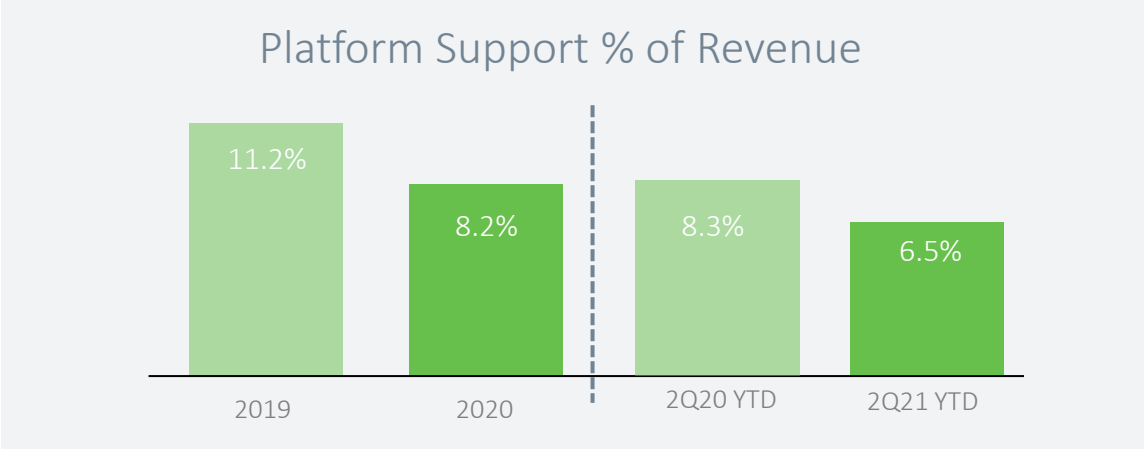
Note: CAGRs are for 2017-2020

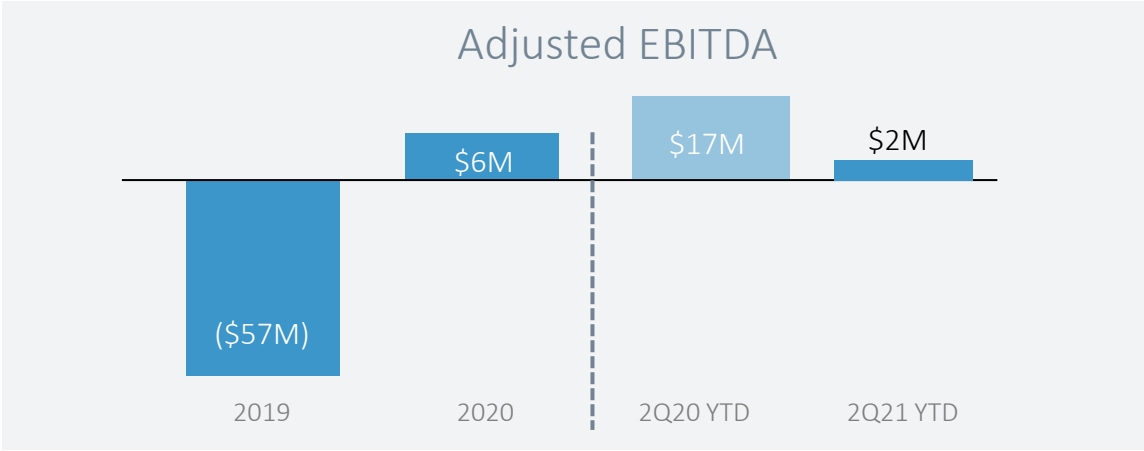
Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Improving Medical Margin and Operating Leverage









Note: See appendix for definition of Network Contribution and Adjusted EBITDA.

agilon health

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Financial Outlook for 3Q and Full Year 2021

	Quarter Ending September 30, 2021	Year Ending December 31, 2021
Ending Members	183,000 – 184,000	184,000 – 185,000
Total Revenue	$450M – $453M	$1,810M – $1,820M
Adjusted EBITDA		($41M) – ($38M)

The Adjusted EBITDA loss reflected in the full year 2021 outlook is expected to be weighted to the fourth quarter.

We have not reconciled guidance for Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure, and have not provided forward-looking guidance for net income (loss), because of the uncertainty around certain items that may impact net income (loss), including stock-based compensation, that are not within our control or cannot be reasonably predicted.

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

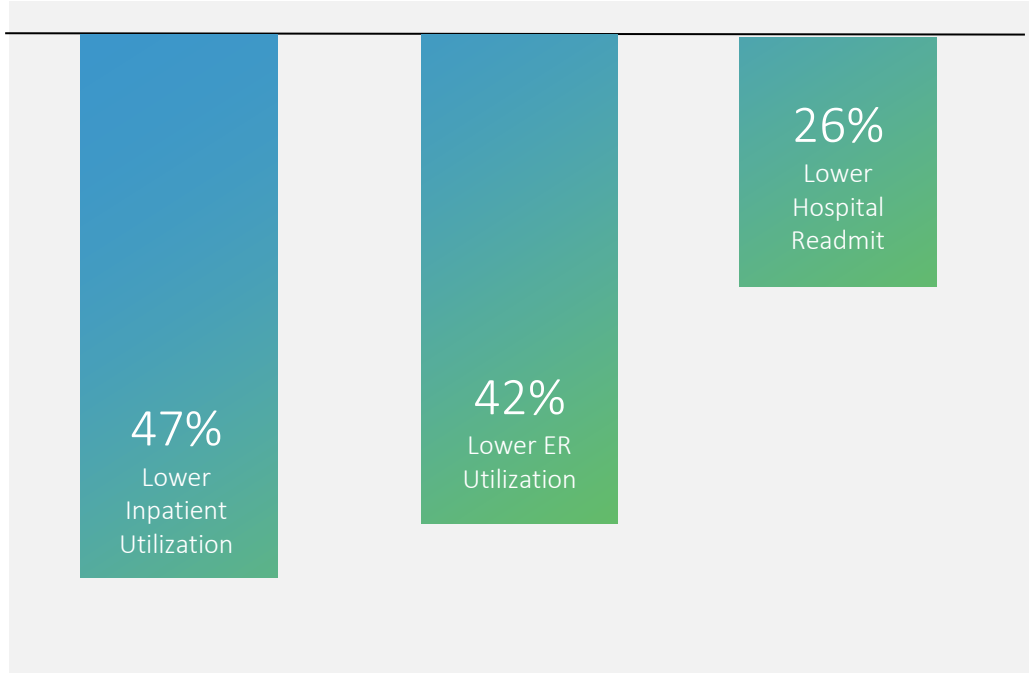
Appendix

agilon health

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Environmental, Social and Governance Considerations

Sustainable community-based primary care



Note: ER utilization, inpatient care utilization, hospital readmissions relative to Medicare FFS benchmarks

- agilon was built to transform healthcare in communities across the country. We do this through community-based physicians that are critical components of their local healthcare delivery system.
- agilon may use a portion of the IPO proceeds to establish a foundation to advance its commitment to the future of diversity and growth in primary care leadership and education and training in value-based care, among other uses

Transforming healthcare in communities across the country

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Non-GAAP Reconciliations

ADJUSTED EBITDA

(Dollars in thousands)	Six Months Ended June 30,	
	2021	2020
Net income (loss)	$ (314,092)	$ (24,010)
(Income) loss from discontinued operations, net of income taxes	3,027	12,704
Interest expense	4,439	4,229
Income tax expense (benefit)	451	39
Depreciation and amortization	7,008	6,517
Geography entry costs[1]	14,545	6,523
Severance and related costs	4,242	2,691
Management fees[2]	433	683
Stock-based compensation expense	276,020	3,176
EBITDA adjustment related to equity method investments	652	—
Other[3]	5,363	4,336
Adjusted EBITDA	$ 2,088	$ 16,888

1. Represents direct geography entry costs, including investments to develop and expand our platform, physician incentive expense, employee-related expenses and marketing. For the six months ended June 30, 2021 and 2020, (i) $4.5 million and $2.1 million, respectively, are included in other medical expenses and (ii) $10.0 million and $4.4 million, respectively, are included in general and administrative expenses.
2. Represents management fees and other expenses paid to CD&R. In connection with our initial public offering, we terminated our consulting agreement with CD&R, effective April 16, 2021. We were not charged a fee in connection with the termination of this agreement.
3. Includes changes in non-cash accruals for unasserted claims and contingent liabilities.

NETWORK CONTRIBUTION

(Dollars in thousands)	Six Months Ended June 30,	
	2021	2020
Income (loss) from operations	$ (310,478)	$ (7,086)
Other operating revenue	(1,970)	(2,333)
Other medical expenses	57,355	53,187
Other medical expenses—live geographies[1]	(52,817)	(51,043)
General and administrative	79,318	60,832
Stock-based compensation expense	276,020	3,176
Depreciation and amortization	7,008	6,517
Network contribution	$ 54,436	$ 63,250

1. Represents physician incentive expense related to surplus sharing and other direct medical expenses incurred to improve care for our members in our live geographies. Excludes costs in geographies that are in implementation and are not yet generating revenue. For the six months ended June 30, 2021 and 2020, costs incurred in implementing geographies were $4.5 million and $2.1 million, respectively.

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.

Non-GAAP Reconciliations Continued

ADJUSTED EBITDA

(Dollars in thousands)	Year Ended December 31,	
	2020	2019
Net income (loss)	$(60,052)	$ (282,588)
(Income) loss from discontinued operations, net of income taxes	(3,156)	168,285
Interest expense	8,135	9,068
Income tax expense (benefit)	865	(232)
Depreciation and amortization	13,531	12,253
Geography entry costs[1]	27,100	9,787
Severance and related costs	4,009	3,675
Management fees[2]	1,530	1,885
Stock-based compensation expense	6,472	4,399
Other[3]	7,393	16,757
Adjusted EBITDA	$ 5,827	$(56,711)

1. Represents direct geography entry costs, including investments to develop and expand our platform, physician incentive expense, employee-related expenses and marketing. For the years ended December 31, 2020 and 2019, (i) $8.9 million and $2.9 million, respectively, are included in other medical expenses and (ii) $17.9 million and $6.9 million, respectively, are included in general and administrative expenses.
2. Represents management fees and other expenses paid to CD&R. In connection with our initial public offering, we expect to terminate our consulting agreement with CD&R. See “Certain Relationships and Related Party Transactions.”
3. Primarily relates to changes in accruals for unasserted claims.

NETWORK CONTRIBUTION

(Dollars in thousands)	Year Ended December 31,	
	2020	2019
Income (loss) from operations	$ (56,673)	$ (106,574)
Other operating revenue	(4,063)	(5,845)
Other medical expenses	102,306	40,526
Other medical expenses (live geographies)[1]	(93,377)	(37,594)
General and administrative	137,292	122,832
Depreciation and amortization	13,531	12,253
Network contribution	$ 99,016	$ 25,598

1. Represents physician incentive expense related to surplus sharing and other direct medical expenses incurred to improve care for our members in our live geographies. Excludes costs in geographies that are in implementation and are not yet generating revenue. For the years ended December 31, 2020 and 2019, costs incurred in implementing geographies were $8.9 million and $2.9 million, respectively.

Copyright © 2021 agilon health. Confidential internal document containing proprietary information. Do not distribute.


agilon health