agilon health

Investor Presentation

June 2024



Disclaimers and Forward-Looking Statements

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

Statements in this report that are not historical factual statements 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 "goals", "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "projects," "is optimistic," "intends," "plans," "estimates," "anticipates" or the negative versions of these words or other comparable terms. Examples of forward-looking statements include, among other things: statements regarding growth opportunities, ability to deliver sustainable long-term value, business environment, long-term opportunities and strategic growth plans including, without limitation, with respect to our network of primary care physicians, reinvestment into partners and local primary care within the communities we serve, expectations regarding our sustainable care model, Total Care Model and their goals, the number of patients in our agilon-led physician networks and our expectations regarding our ESG initiatives. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could significantly affect our ability to accomplish our goals, future financial position, 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. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be outside our control. 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 the expectation that our expenses will increase in the future; failure to identify and develop successful new geographies, physician partners and payors, or execute upon our growth initiatives; success in executing our operating strategies or achieving results consistent with our historical performance; medical expenses incurred on behalf of our members may exceed revenues we receive; our ability to secure contracts with Medicare Advantage payors; our ability to grow new physician partner relationships sufficient to recover startup costs; availability of additional capital, on acceptable terms or at all, to support our business in the future; significant reduction in our membership; transition to a Total Care Model may be challenging for physician partners; public health crises, such as COVID-19, could adversely affect us; inaccuracy in estimates of our members' risk adjustment factors, medical services expense, incurred but not reported claims, and earnings pursuant to payor contracts; the impact of restrictive clauses or exclusivity provisions in some of our contracts with physician partners; our to hire and retain qualified personnel; our ability to realize the full value of our intangible assets; security breaches, cybersecurity attacks, loss of data and other disruptions to our information systems; our ability to protect the confidentiality of our know-how and other proprietary and internally developed information; reliance on our subsidiaries; Environmental, Social, and Governance issues; reliance on a limited number of key payors; the limited terms of contracts with our payors and our ability to renew them upon expiration; reliance on our payors, physician partners and other providers to operate our business; our ability to obtain accurate and complete diagnosis data; reliance on third-party software, data, infrastructure and bandwidth; consolidation and competition in the healthcare industry; the impact of changes to, and dependence on, federal government healthcare programs; uncertain or adverse economic and macroeconomic conditions, including a downturn or decrease in government expenditures; regulation of the healthcare industry and our and our physician partners' ability to comply such laws and regulations; federal and state investigations, audits and enforcement actions; repayment obligations arising out of payor audits; negative publicity regarding the managed healthcare industry generally; our use, disclosure and processing of personally identifiable information, protected health information, and de-identified data; failure to obtain or maintain an insurance license, a certificate of authority or an equivalent authorization; lawsuits not covered by insurance; changes in tax laws and regulations, or changes in related judgments or assumptions; our indebtedness and our potential to incur more debt; dependence on our subsidiaries for cash to fund all of our operations and expenses; provisions in our governing documents; ability to achieve a return on your investment depends on appreciation in the price of our common stock; the material weakness in our internal control over financial reporting and our ability to remediate such material weakness; and risks related to other factors discussed in our filings with the Securities and Exchange Commission (the "SEC"), including the factors discussed under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and in our Quarterly Report on Form 10-Q for the period ended March 31, 2024, all of which can be found at the SEC's website at www.sec.gov. 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 FINANCIAL MEASURES

This presentation includes references to non-GAAP financial measures, including but not limited to Medical Margin, Medical Margin including ACO model results, Medical Margin excluding our recent disposition of our Hawaii operations, Adjusted EBITDA and Adjusted EBITDA excluding our recent disposition of our Hawaii operations (collectively, the "Non-GAAP Financial Measures"). We believe the Non-GAAP Financial Measures help identify underlying trends in our business and facilitate evaluation of period-to-period operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance, allowing comparison of our recurring core business operating results over multiple periods. We also believe he Non-GAAP Financial Measures provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to key metrics we use for financial and operational decision-making. We believe the Non-GAAP Financial Measures or similarly titled non-GAAP measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in our industry as a measure of financial performance. Other companies may calculate the Non-GAAP Financial Measures or similarly titled non-GAAP measures differently from the way we calculate these metrics. As a result, our presentation of the Non-GAAP Financial Measures may not be comparable to similarly titled measures of other companies, limiting their usefulness as comparative measures. The Non-GAAP Financial Measures 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. Information reconciling guidance for the Non-GAAP Financial Measures to Gross Profit or Adjusted EBITDA to net income (loss), as applicable, the most comparable GAAP measures, and information regarding forward-looking guidance for net income (loss) is not available without unreasonable effort due to the high variability, complexity and uncertainty with respect to quantifying and forecasting certain items that may impact Gross Profit or net income (loss), including non-cash stock-based compensation. For these reasons, we are unable to compute the probable significance of the unavailable information, which could have a potentially unpredictable and potentially significant impact on our future GAAP financial results.

Key Points for Today's Discussion



Demand for our value proposition has never been higher



Business model working for doctors, patients, and payors



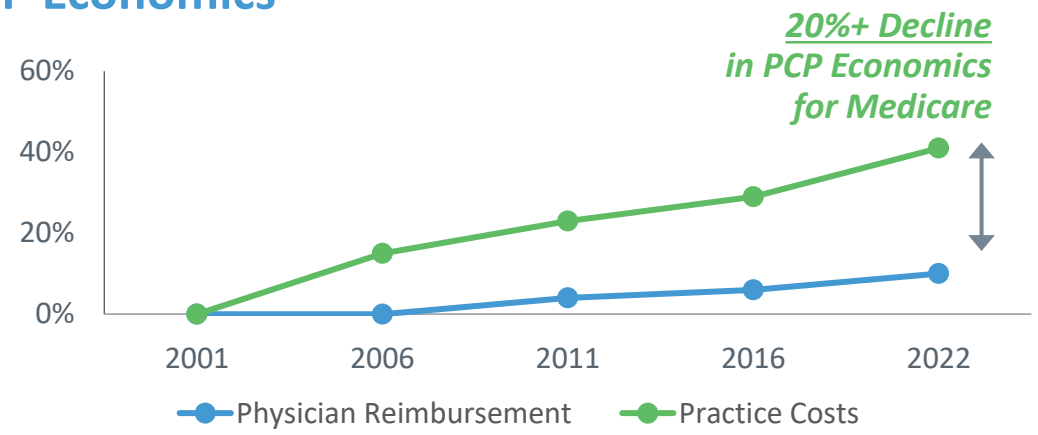
Tangible progress executing strategic action plan



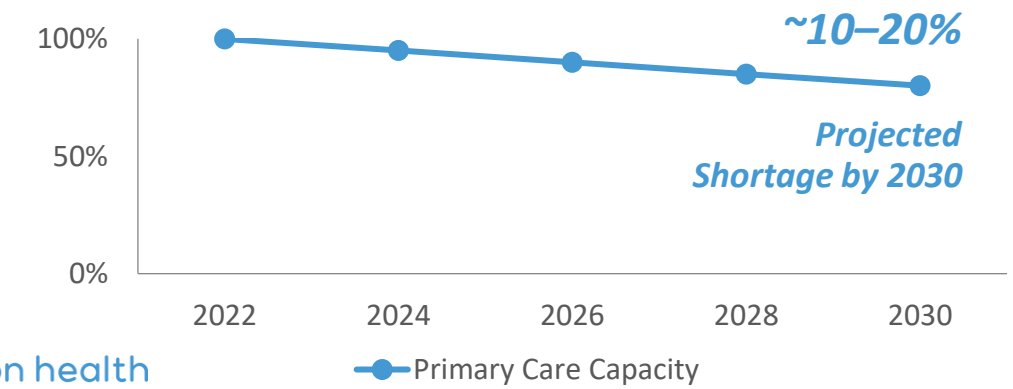
Long-term value potential is meaningful

Primary Care Economics and Capacity Are Getting Worse While Healthcare System Demanding More

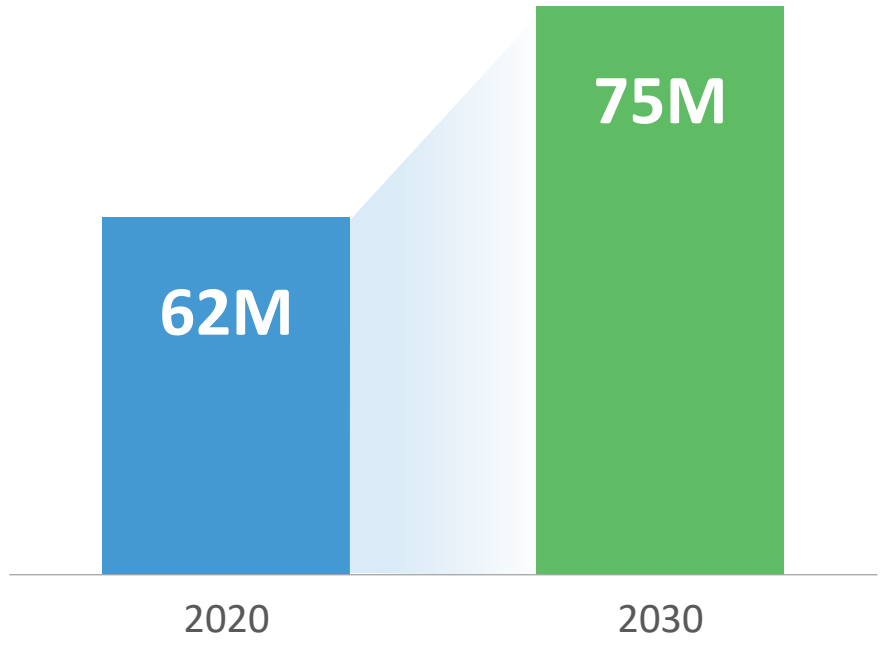
Challenged PCP Economics



Primary Care Capacity is Strained



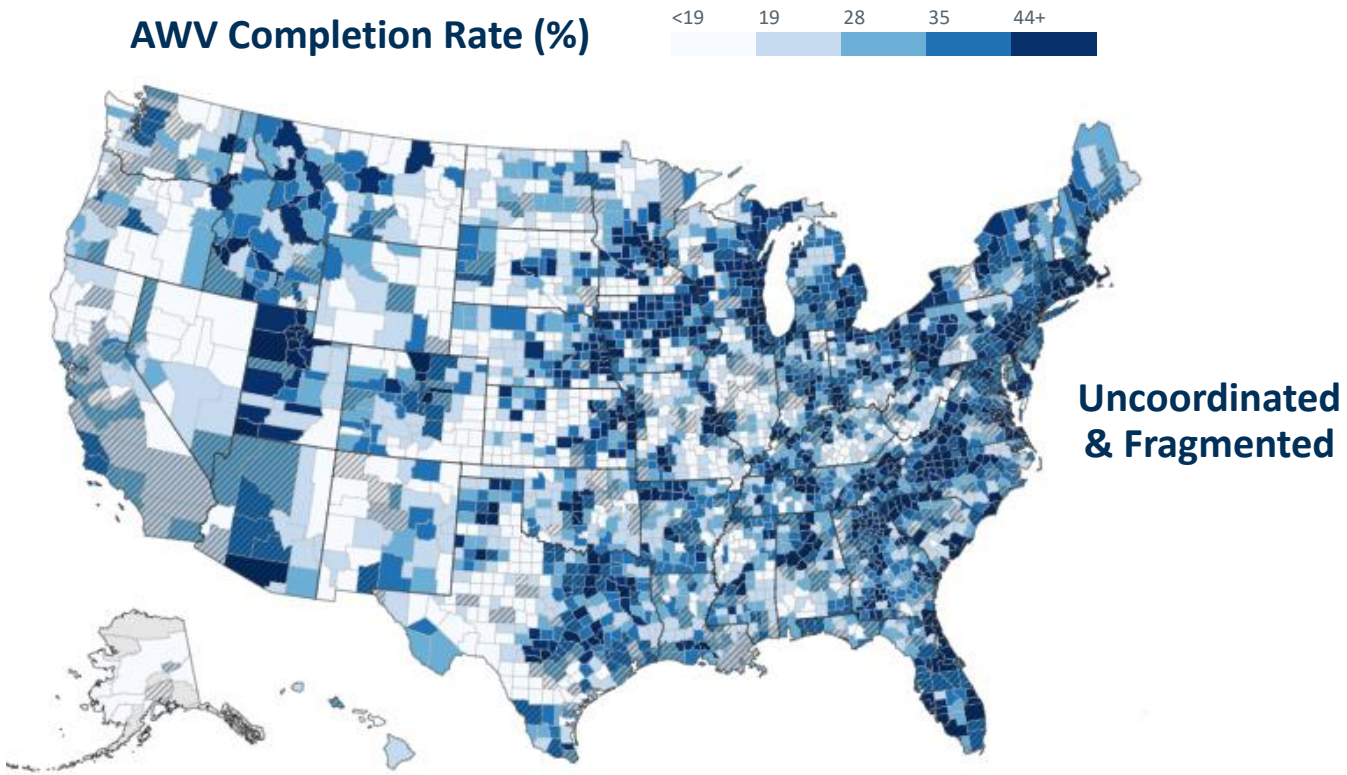
Growing Senior Population



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And Senior Patient Outcomes Are Highly Variable

Variation in Preventative Services



Uncoordinated & Fragmented

Variation in Cost & Utilization

~2X

Variation in Medicare spending across regions

~3X

Variation in Medicare inpatient days across regions

… Negatively Impacting Patient Outcomes and Increasing Healthcare Costs

Source: CMS and The Dartmouth Atlas of Health Care

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System Sees Primary Care as the Solution

Increasing Focus on Value



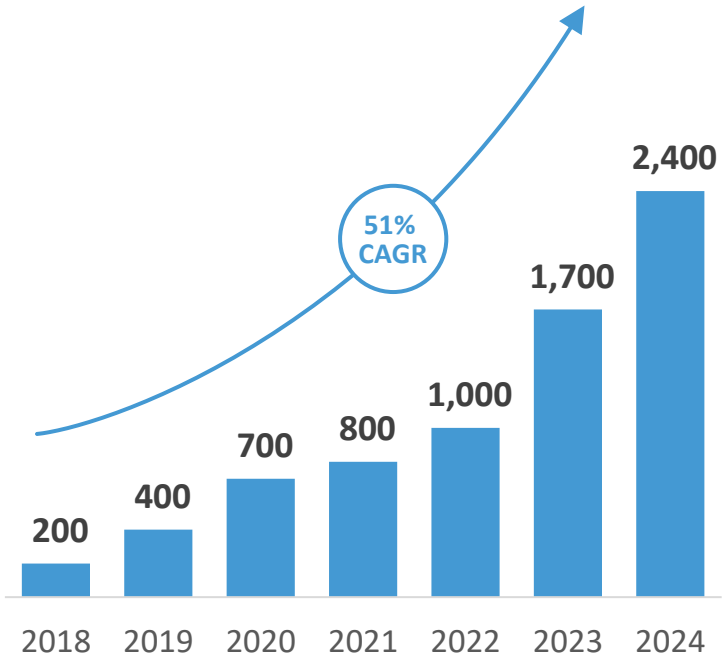
CMS target for Medicare beneficiaries in **total cost models by 2030**

- **PCPs are aligned with payor goals of improving access, quality of care, and patient outcomes**
- **Physician groups lack business model, financial resources, and data to meet this challenge**
- **agilon health's platform is *the* solution for primary care doctors moving to value**

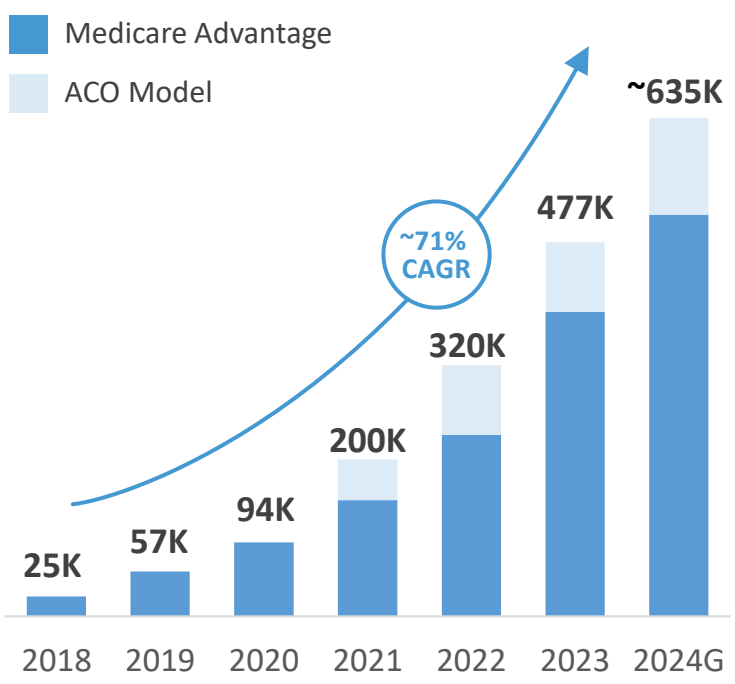
agilon Is Powering a Sustainable Model for Primary Care

- agilon enables physicians to improve patient experiences and outcomes
- Our model is resonating with physicians, patients, and payors

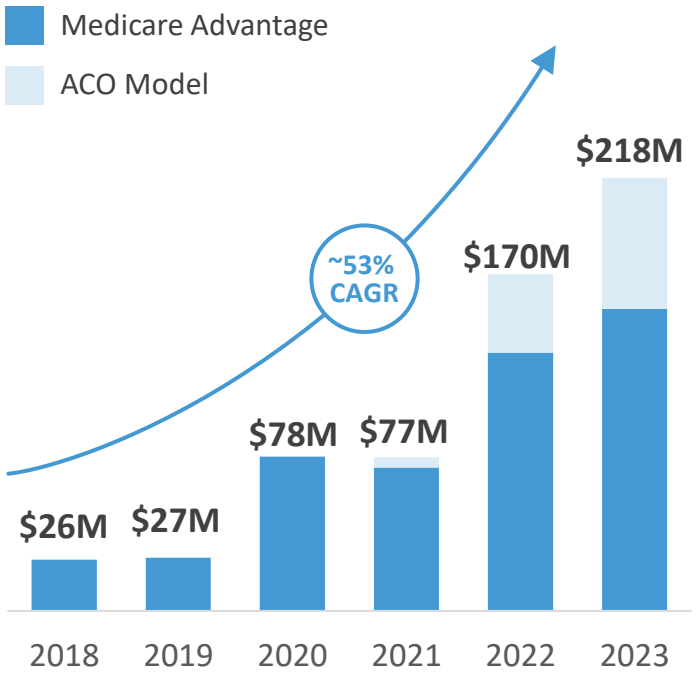
Primary Care Doctors



Patients



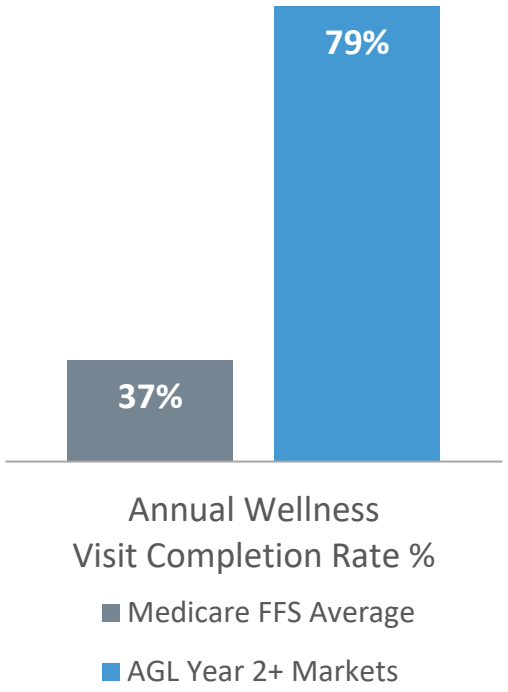
Primary Care Reinvestment



Notes: Metrics adjusted for the sale for MDX Hawaii, which is accounted for as discontinued operations

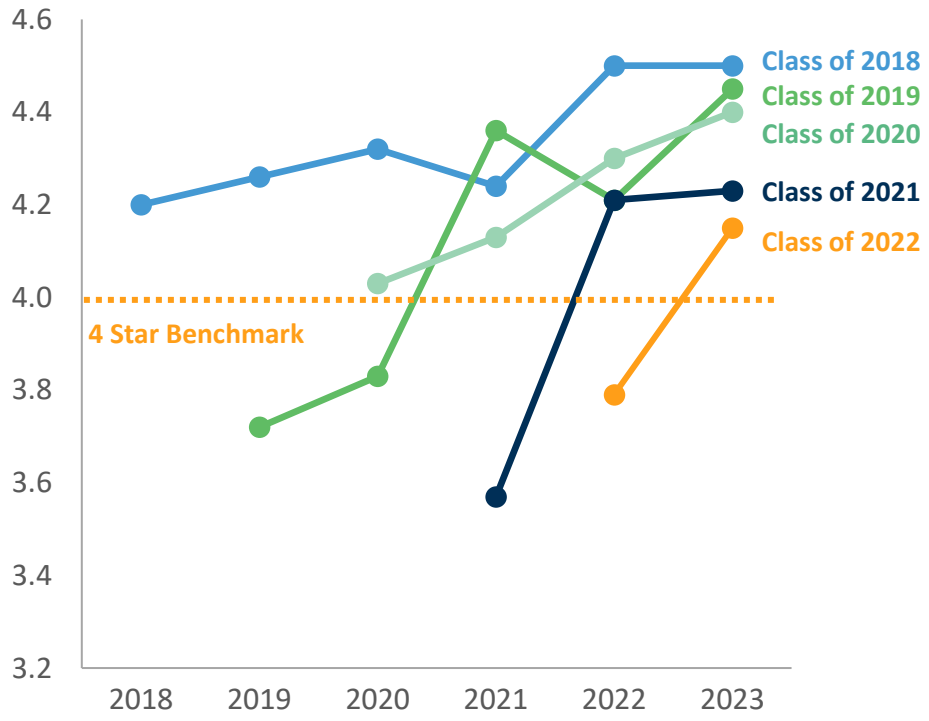
Improving Patient Access, Quality, and Utilization

Patient Access



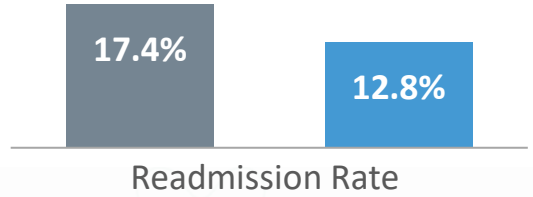
Quality

STARs Performance by Market Class



Inpatient / ER Utilization

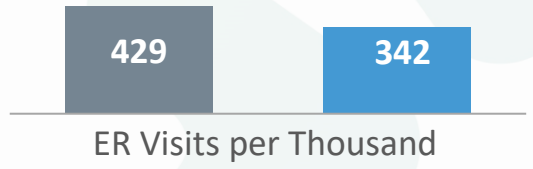
Readmissions

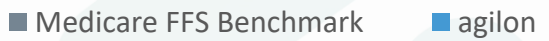


Hospital Admissions



Emergency Department Visits





Note: Utilization data is as of January through June 2023. Annual Wellness Visit data is as of January through November 2023.

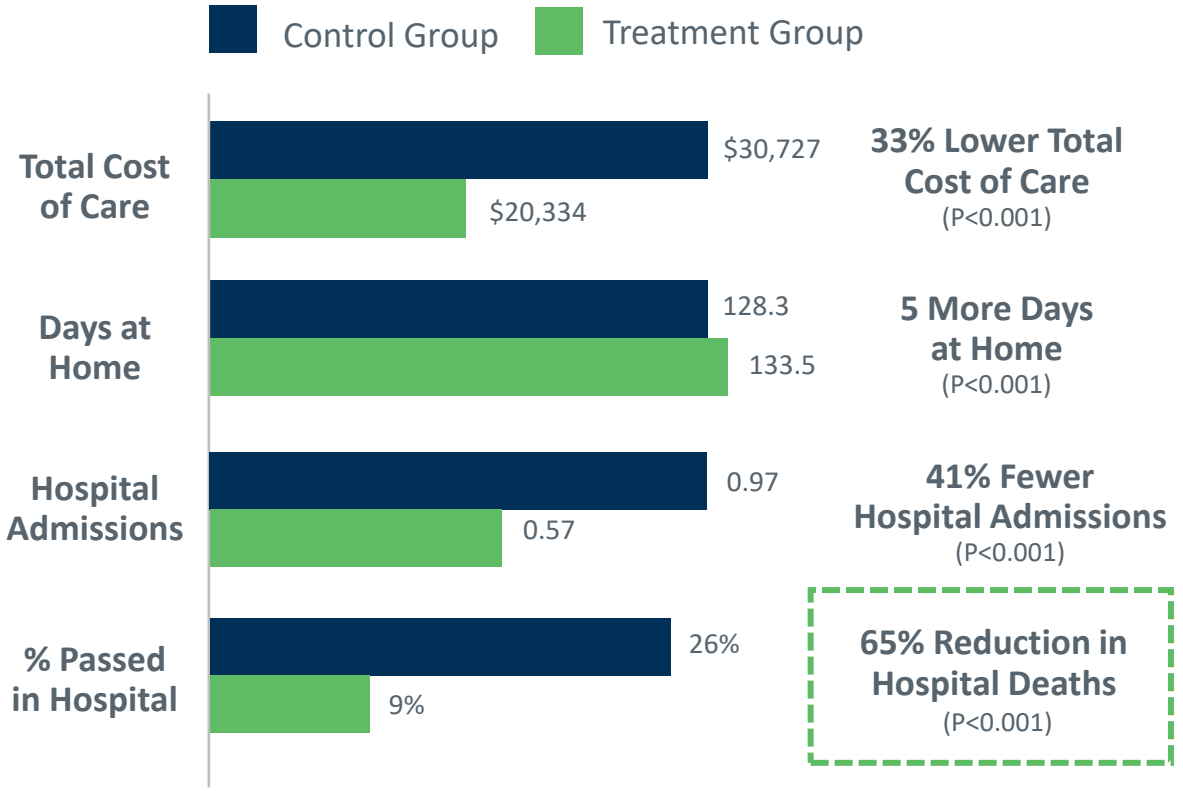
Proof Point - Case Study on Palliative Patients

Recent peer-reviewed research published in the Journal of Pain and Symptom Management

Palliative Clinical Program / Study

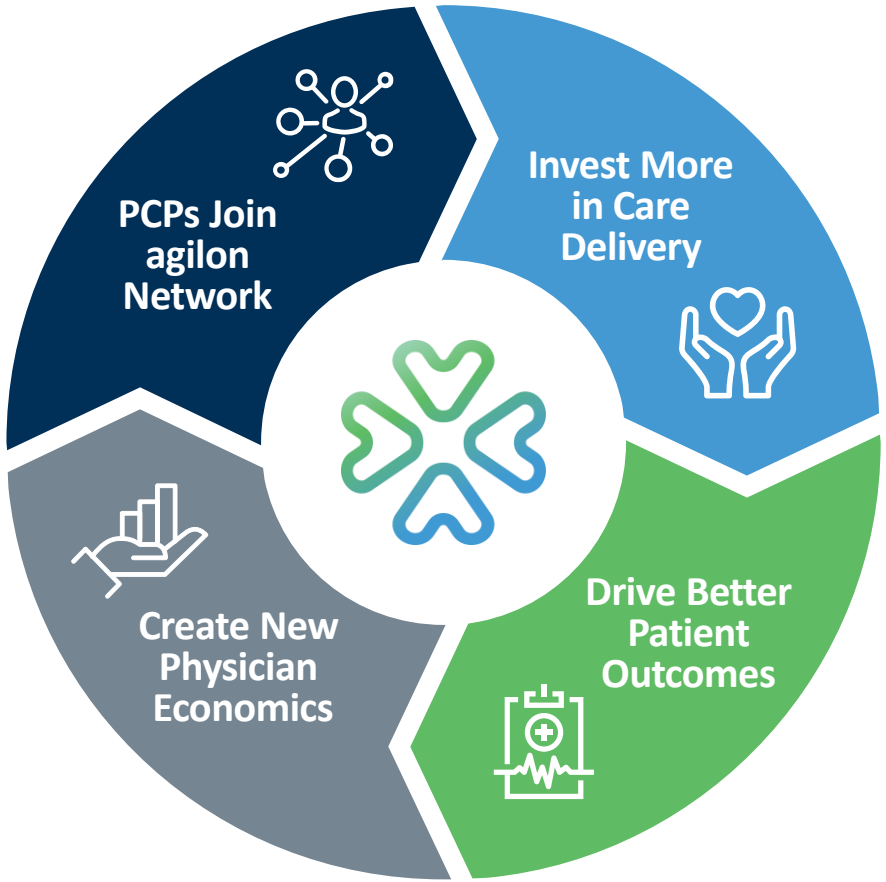
- **90% of Medicare patients prefer to pass at home but only 34% achieve this**
- **Recent study assessed the impact of PCP-led palliative care on ~900 patients treated by agilon physician partners**
- **agilon supported interventions:**
  - ✓ Training
  - ✓ Patient Identification
  - ✓ Referral / Enrollment
  - ✓ PCP Care Team Integration
  - ✓ Tracking Outcomes

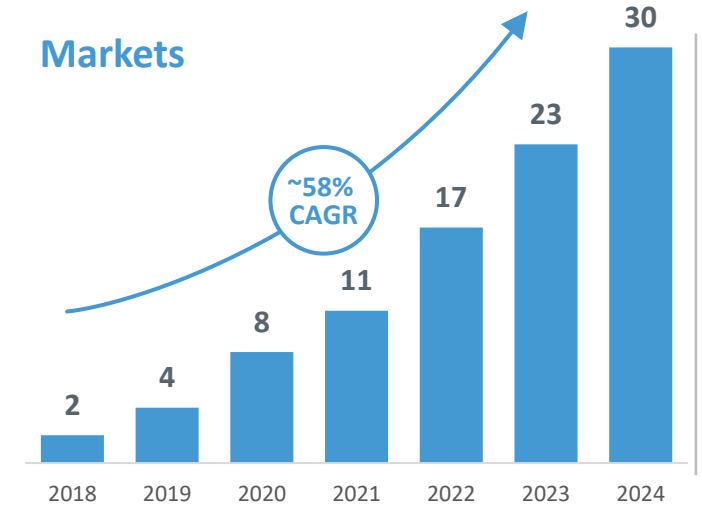
Results

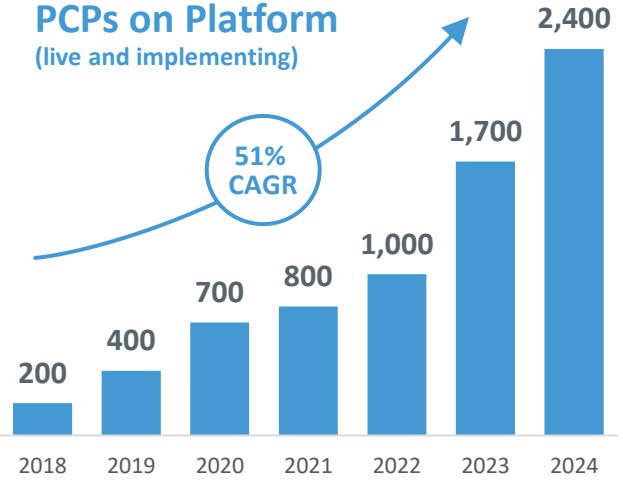


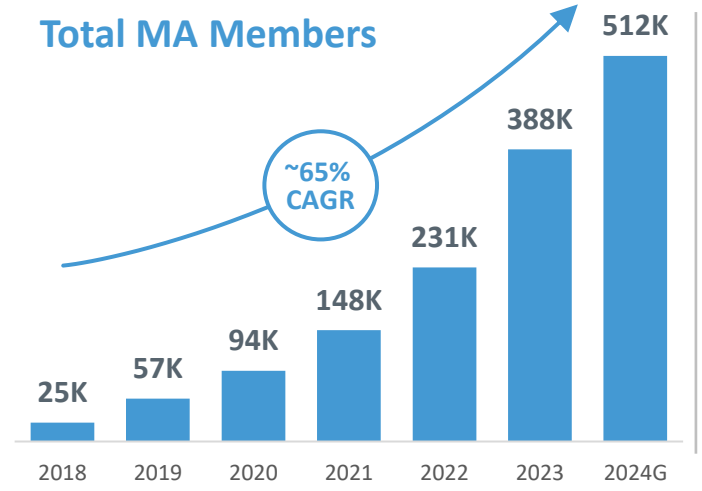
Performance is Driving Growth

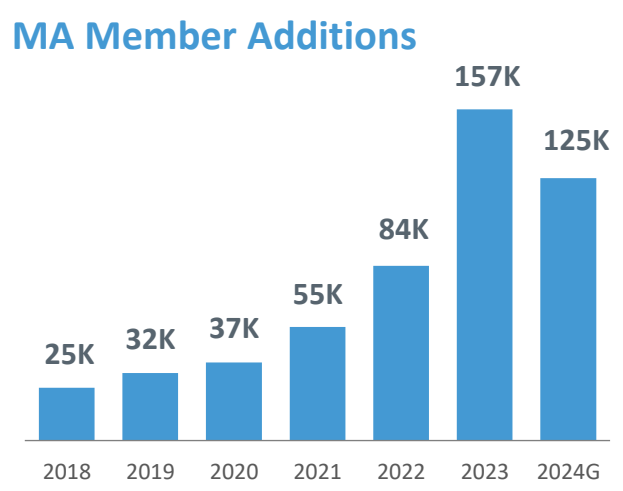
Class of 2025 Expected to Add >60K Medicare Advantage Members to Platform











Note: 2024 reflects guidance midpoints

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Drivers of our Long-Term Financial Model

Membership Growth

ACO Model Performance

Operating Leverage

Medical Margin Progression

- **Membership Growth:** Meaningfully outperforming, especially for new partner growth
- **ACO Model Performance:** Significant outperformance during 2023 carries into 2024+
- **Operating Leverage:** Accelerated platform support efficiency, reduce to 3% of revs in 2024
- **Medical Margin:** Mature cohorts progressing or sustaining near $150 per member per month

Class of 2025 Partners

Class of 2025 New Partners Includes 5 Leading Physician Groups with >60K MA Members



Graves Gilbert Clinic

- Founded in 1937 and is South Central Kentucky's largest physician-owned group
- >200+ providers



Springfield Clinic

- Serving Central Illinois since 1939
- >650 physicians and advanced practitioners



Mankato Clinic

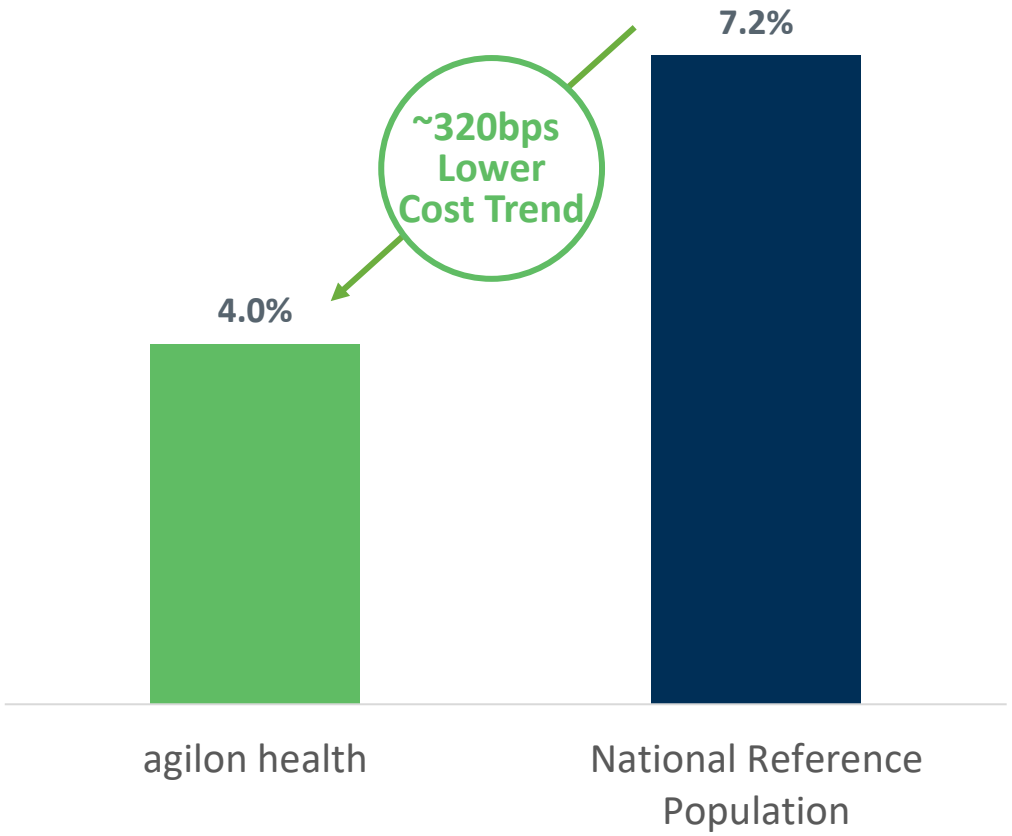
- Founded 1916 and is the largest physician-owned multi-specialty group in Minnesota
- >180 physicians and practitioners

The Twin Cities Network

- Three independent practices located in the Twin Cities area of Minnesota
- Edina Sports & Family Medicine, France Avenue Family Physicians and Northwest Family Clinics

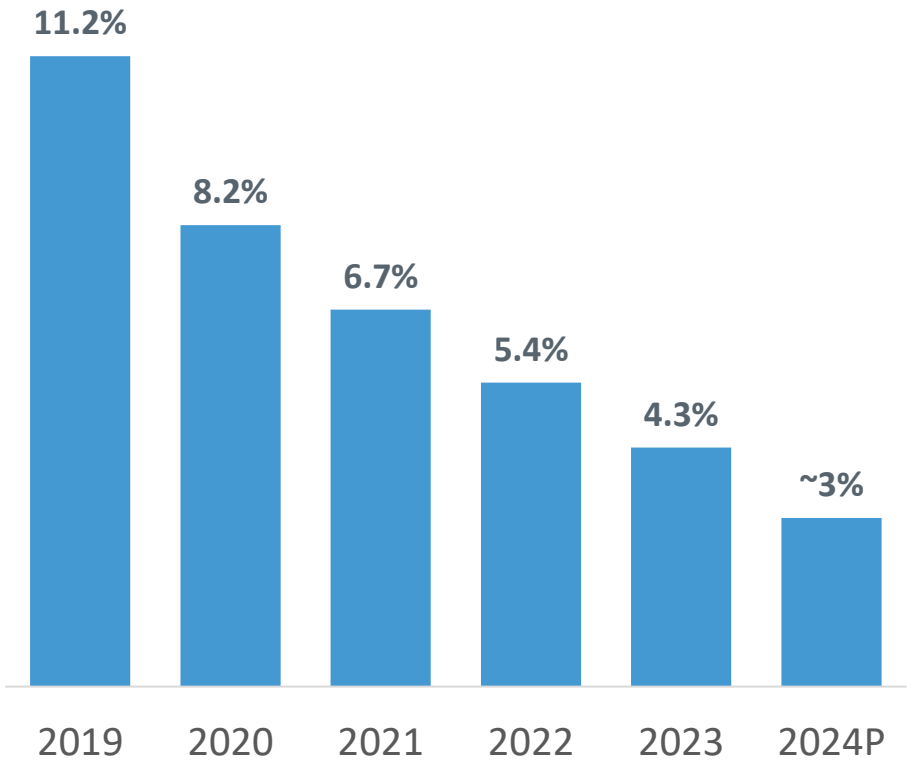
ACO Model Performance and Operating Leverage

2023 agilon ACO REACH Cost Trend vs National Reference Population



Platform Support Leverage

(% of Total Revenue)

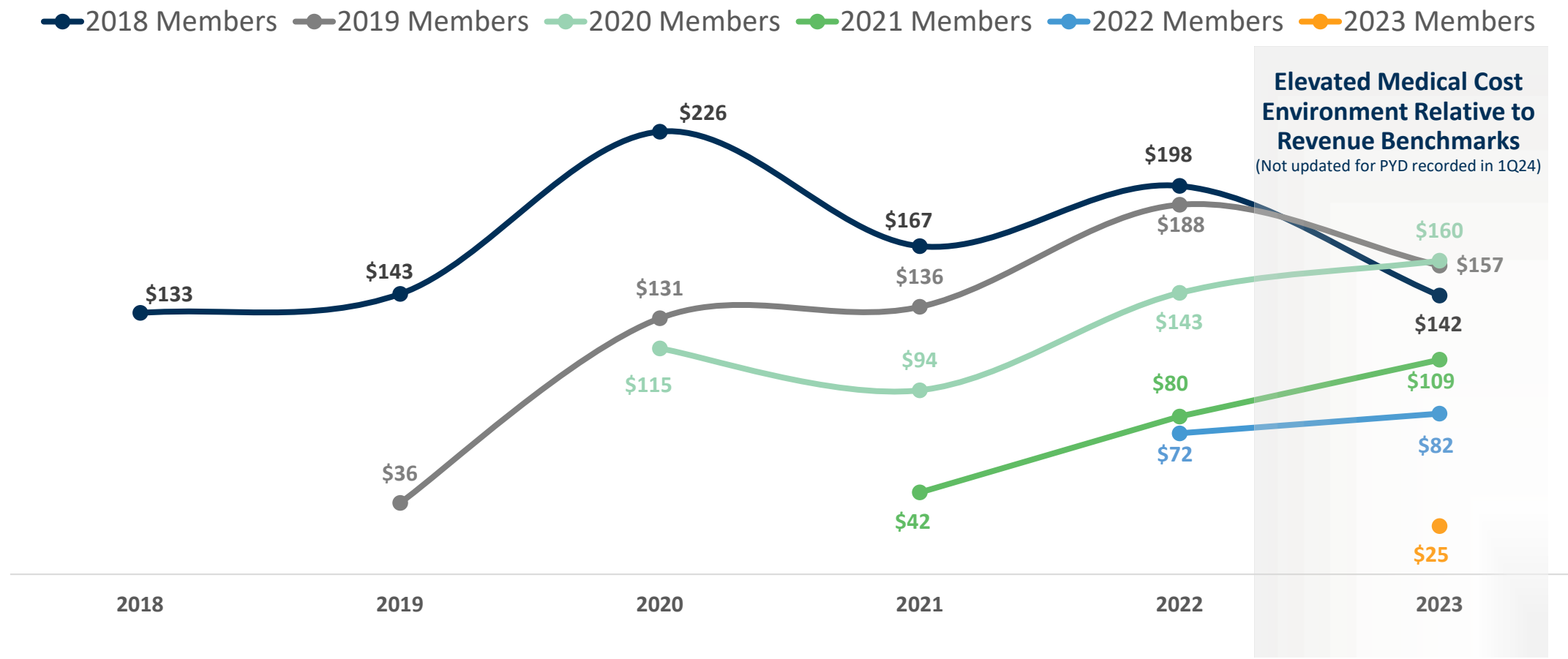


Note: Cost Trend excludes ESRD

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Member Cohort Medical Margin PMPM (Incurred)

Progressing or sustaining member cohort medical margin PMPMs towards ~$150 range despite the higher utilization environment and payor benefit changes in 2023



Note 1: Reflects incurred results; Note 2: 2020 reflects COVID-19 impact; Note 3: Reflects full allocation of costs to member-level cohorts, including Part D and other (other risk pool, certain health plans with limited data)

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Actions to Improve Performance, Balance Risk Sharing, and Enhance Predictability

Enhancing processes and systems to address market dynamics and drive accelerated performance in 2024 and beyond

Action	Timing	Details / Milestones
PCP Support	In-Process for 2024-2025+	▪ Reducing performance variability, especially for new PCPs in existing markets ▪ ***Deploying structured training and active panel reviews to support high-risk patients***
Payor Partnerships	Executed & In-Process for 2024+	▪ Tangible progress on strengthening relationships and outcomes ▪ ***Negotiated off cycle percentage of premium contract increases and favorable economic adjustments (e.g., contract exits, retro relief).***
Data Visibility & Analytics	Executed & In-Process for 2024+	▪ ***Onboarded >55% of member data into new financial data pipeline, on track to onboard >75% through Q2.*** ▪ New actuary and Milliman relationship ▪ Created better alignment with payor partners
Operating Efficiency	Executed for 2024	▪ Accelerated platform support efficiency, reduce to 3% of revenues in 2024 ▪ Leveraging corporate and market investments from 2023

Note: Bolded items highlighted on agilon's 1Q earnings conference call

agilon Names Jeff Schwaneke as New Chief Financial Officer

- Issued Press Release and 8K on June 5 announcing Jeff Schwaneke's appointment as agilon's Chief Financial Officer and Executive Vice President effective July 1, 2024.

- Schwaneke has served as a director on agilon's board since August 2022 and is a member of the audit committee. Schwaneke will transition off agilon's board upon becoming the company's Chief Financial Officer.

- Schwaneke previously held senior leadership positions at Centene Corporation (NYSE: CNC), including as Chief Financial Officer, Chief Accounting Officer, and Executive Vice President of Health Care Enterprises.

- agilon's current Chief Financial Officer Tim Bensley to stay on through a transition period. agilon previously announced Bensley's intent to retire during 2024.

Clear Long-term Value Opportunity

- Demand from PCPs is structurally higher
- agilon platform driving more value to PCPs, patients, and payors
- Executing on action plan and driving performance
- Variability in healthcare delivery system creates opportunity