



## **4<sup>th</sup> Quarter & Full Year 2021 Results**

*March 23, 2022*

Shawn Morris – Chief Executive Officer

Parth Mehrotra – President & COO

David Mountcastle – Chief Financial Officer

# Disclaimer

## Forward-Looking Statements

This presentation contains forward-looking statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results that include, but are not limited to: 2022 financial guidance and other projections and forecasts. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in filings with the Securities and Exchange Commission ("SEC"), including those under "Risk Factors" therein. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Forward-looking statements speak only as of the date made. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## Use of Non-GAAP Financial Information

In order to provide investors with greater insight, promote transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making, the Company supplements its condensed consolidated financial statements presented on a GAAP basis herein with certain non-GAAP financial information, including: Care Margin; Platform Contribution; Platform Contribution margin; Adjusted EBITDA; Adjusted EBITDA margin; Adjusted Net Income; and Free Cash Flow. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in the financial schedules in the Appendix of this presentation, as well as in the Company's quarterly financial press releases and related Form 8-K filings with the SEC. This information can be accessed for free by visiting [www.priviahealth.com](http://www.priviahealth.com) or [www.sec.gov](http://www.sec.gov).

Management has not reconciled forward-looking non-GAAP measures to its most directly comparable GAAP measure of Operating Income and Net Income. This is because the Company cannot predict with reasonable certainty and without unreasonable efforts the ultimate outcome of certain GAAP components of such reconciliations due to market-related assumptions that are not within our control as well as certain legal or advisory costs, tax costs or other costs that may arise. For these reasons, management is unable to assess the probable significance of the unavailable information, which could materially impact the amount of the future directly comparable GAAP measures.

# Agenda

- **Key Highlights**
- **2021 Financial Performance**
- **2022 Outlook**
- **Business Update**
- **Q&A**

# 2021 Business Highlights

## *New Market Entries*

- California and West Texas in 4Q'21 and Montana in 1Q'22 driving accelerated topline growth

## *New & Expanding ACOs*

- **Launched 3 new ACOs** with 4 existing ACOs in **MSSP Enhanced Track** (upside & downside risk)
- Mid-Atlantic ACO achieved the highest savings rate of top 100 largest ACOs in the country
- Seven ACOs include **1,900+ providers** caring for **168,000+ Medicare beneficiaries** effective 1.1.22

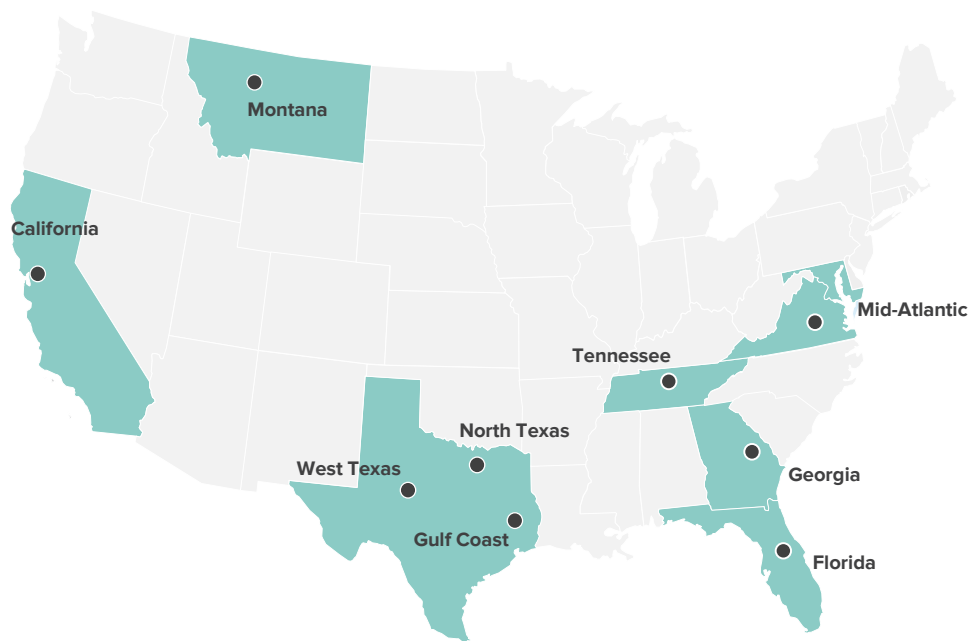
## *Thoughtfully Moving to Upside / Downside Risk Arrangements*

- New **capitated arrangements** covering **~23,000 MA beneficiaries** effective 1.1.22
- Proven results with **80+ Value-Based Care contracts** across the risk spectrum

## *Financial Strength and Momentum*

- **Exceptional operating execution** with FY 2021 financial results above high end of guidance
  - ✓ FY 2021 **Adjusted EBITDA +40.9%** and **Free cash flow +41.6% Y-Y**
- 2022 Guidance assumes **30.7% topline growth** and **30.4% Adjusted EBITDA growth** at midpoint

# Building the Next Generation National Care Delivery Network



**\$1.6B+**  
Practice  
Collections

**3,300+**  
Implemented  
Providers

**3M+**  
Patients

**95%**  
Provider  
Retention

**870+**  
Care Center  
Locations

**786K**  
Attributed  
Lives

**8**  
States  
(Plus D.C.)

**85**  
Patient  
NPS

**58**  
Provider  
NPS

Note: As of 12/31/2021. Map and number of states include the launch of Montana, which was announced via press release on February 3, 2022.

# Privia Health's Key Differentiators

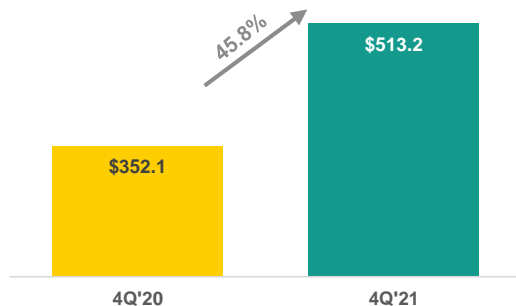
- **Uniquely integrated model** of medical groups, risk-bearing entities and performance operations & technology platform
- Partnering with **all providers** caring for **all patients** in **all reimbursement models** across **all states**
- **Proven, diversified value-based care platform** across risk-bearing spectrum
- **Capital-light partnership model** with positive EBITDA and positive free cash flow

# 2021 Financial Results

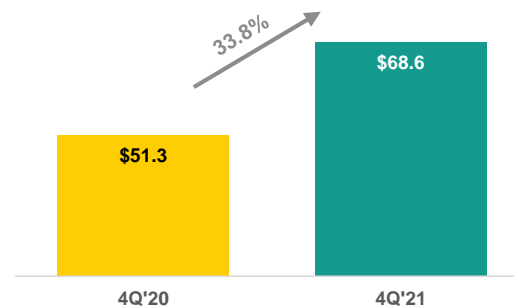
(\$ in millions)	FY 2020 Actual Results	FY 2021 Guidance at 11.8.21		FY 2021 Actual Results
		Low	High	
Implemented Providers	2,550	3,300	3,330	<b>3,317</b>
Attributed Lives	682,000	760,000	765,000	<b>786,000</b>
Practice Collections	\$ 1,301.1	\$ 1,520	\$ 1,540	<b>\$ 1,626.1</b>
GAAP Revenue	\$ 817.1	\$ 900	\$ 920	<b>\$ 966.2</b>
Care Margin	\$ 187.6	\$ 225	\$ 230	<b>\$ 238.4</b>
Platform Contribution	\$ 82.6	\$ 102	\$ 105	<b>\$ 107.6</b>
Adjusted EBITDA	\$ 29.4	\$ 39	\$ 41	<b>\$ 41.4</b>

# 4Q'21 Financial Performance

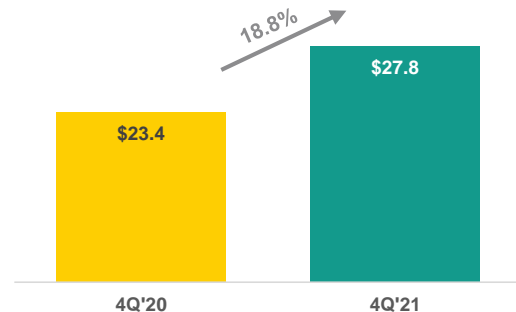
Practice Collections (\$mm)



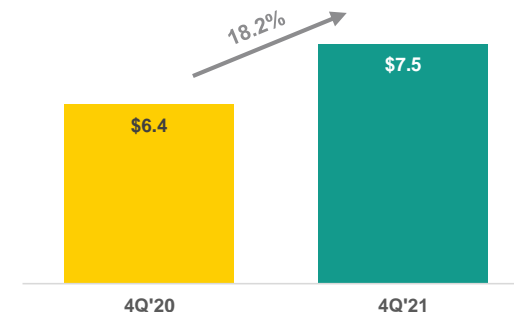
Care Margin (\$mm)



Platform Contribution (\$mm)



Adjusted EBITDA (\$mm)



% Practice Collections 6.6%  
% Care Margin 45.6%

5.4%  
40.5%

% Practice Collections 1.8%  
% Care Margin 12.4%

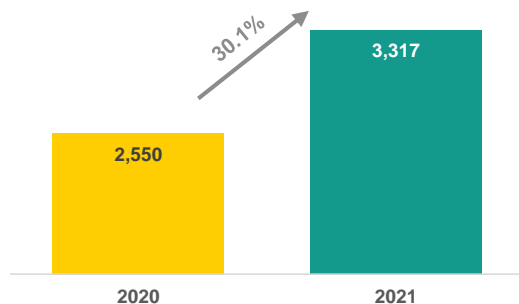
1.5%  
10.9%

<sup>1</sup> Solid bar represents government lives and shaded bar represents commercial lives. Note: Any slight variations in percentage calculations due to rounding. For reconciliations of Care Margin to Operating Income, Platform Contribution to Operating Income, and Adjusted EBITDA to Net Income, please see the Appendix.

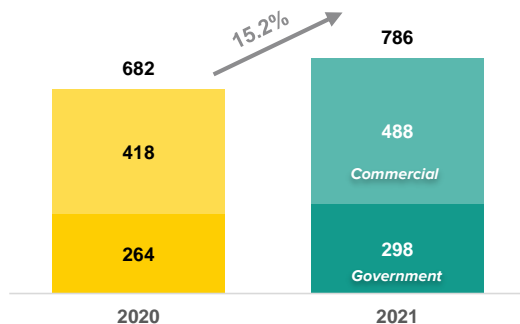


# FY'21 Performance

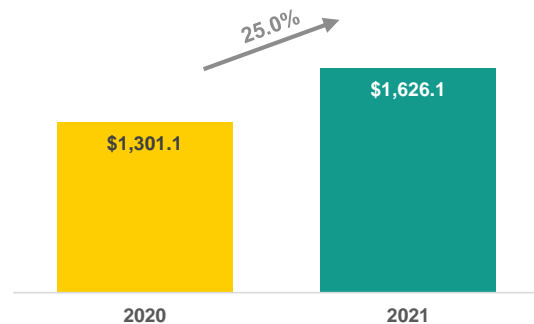
Implemented Providers (as of end of period)



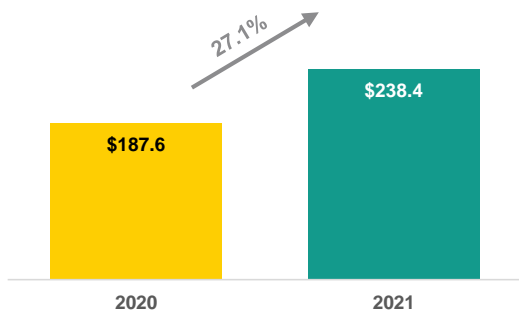
Attributed Lives ('000s, as of end of period)<sup>1</sup>



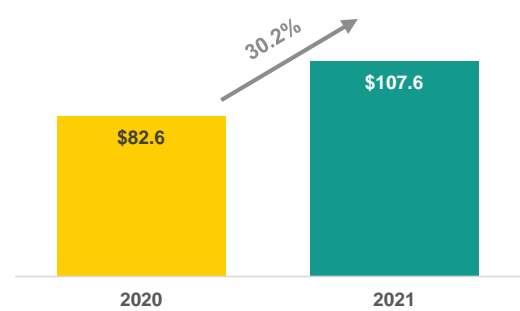
Practice Collections (\$mm)



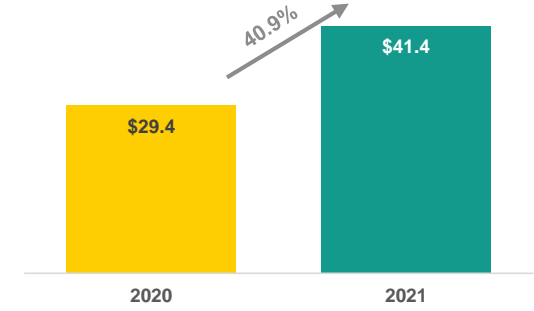
Care Margin (\$mm)



Platform Contribution (\$mm)



Adjusted EBITDA (\$mm)



% Practice Collections 6.3%  
% Care Margin 44.0%

2021  
6.6%  
45.1%

% Practice Collections 2.3%  
% Care Margin 15.7%

2021  
2.5%  
17.4%

<sup>1</sup> Solid bar represents government lives and shaded bar represents commercial lives. Note: Any slight variations in percentage calculations due to rounding. For reconciliations of Care Margin to Operating Income, Platform Contribution to Operating Income, and Adjusted EBITDA to Net Income, please see the Appendix.

# Strong Cash Flow and Capital Resources

<i>(In millions)</i>	<b>At 12.31.21</b>	<b>At 12.31.20</b>
Cash and cash equivalents	<b>\$ 320.6</b>	\$ 84.6
Less: Notes payable (including current portion) and debt issuance costs	<b>\$ 33.3</b>	\$ 34.1
Net cash position, total	<b>\$ 287.3</b>	\$ 50.5
Net cash provided by operating activities	<b>\$ 55.1</b>	\$ 38.9
Less: Capital expenditures (Purchases of property and equipment)	<b>\$ 0.5</b>	\$ 0.4
Free cash flow	<b>\$ 54.6</b>	\$ 38.5

# FY'22 Guidance

(\$ in millions)	FY'22 Guidance		FY'21 Actual	Y-Y % Change from FY'21	
	Low	High		Low	High
Implemented Providers	3,625	3,725	3,317	9.3%	12.3%
Attributed Lives	860,000	890,000	786,000	9.4%	13.2%
Practice Collections	\$ 2,050	\$ 2,200	\$ 1,626.1	26.1%	35.3%
GAAP Revenue	\$ 1,225	\$ 1,300	\$ 966.2	26.8%	34.5%
Care Margin	\$ 280	\$ 295	\$ 238.4	17.4%	23.7%
Platform Contribution	\$ 130	\$ 135	\$ 107.6	20.8%	25.5%
Adjusted EBITDA	\$ 52	\$ 56	\$ 41.4	25.6%	35.3%

# 2022 Guidance Assumptions

- 2022 guidance includes the impact of new capitated agreements and only previously announced new market entries
- Adjusted EBITDA guidance includes ~\$4-6M in investment to support new market expansion and accelerated VBC initiatives
- Capital expenditures of < \$1M
- ~90+% of Adjusted EBITDA conversion to Free Cash Flow in 2022
- Non-cash stock compensation expense of \$60-\$65M for FY'22

# Broad-Based Drivers of Accelerated Growth in 2021-22



## Organic Growth in Existing Practices

- Strong same-store growth
- Positive net provider additions



## Moving Markets to Value Based Care

- 3 new ACOs launched 1/1/22
- 3 additional ACOs moved to enhanced track
- Capitated arrangements for 23K MA lives starting 1/1/22
- 80+ VBC contracts



## White Space Opportunities in Existing Markets

- Record new provider growth in existing markets
- Expansion of ancillary services (lab, clinical research and virtual visits)

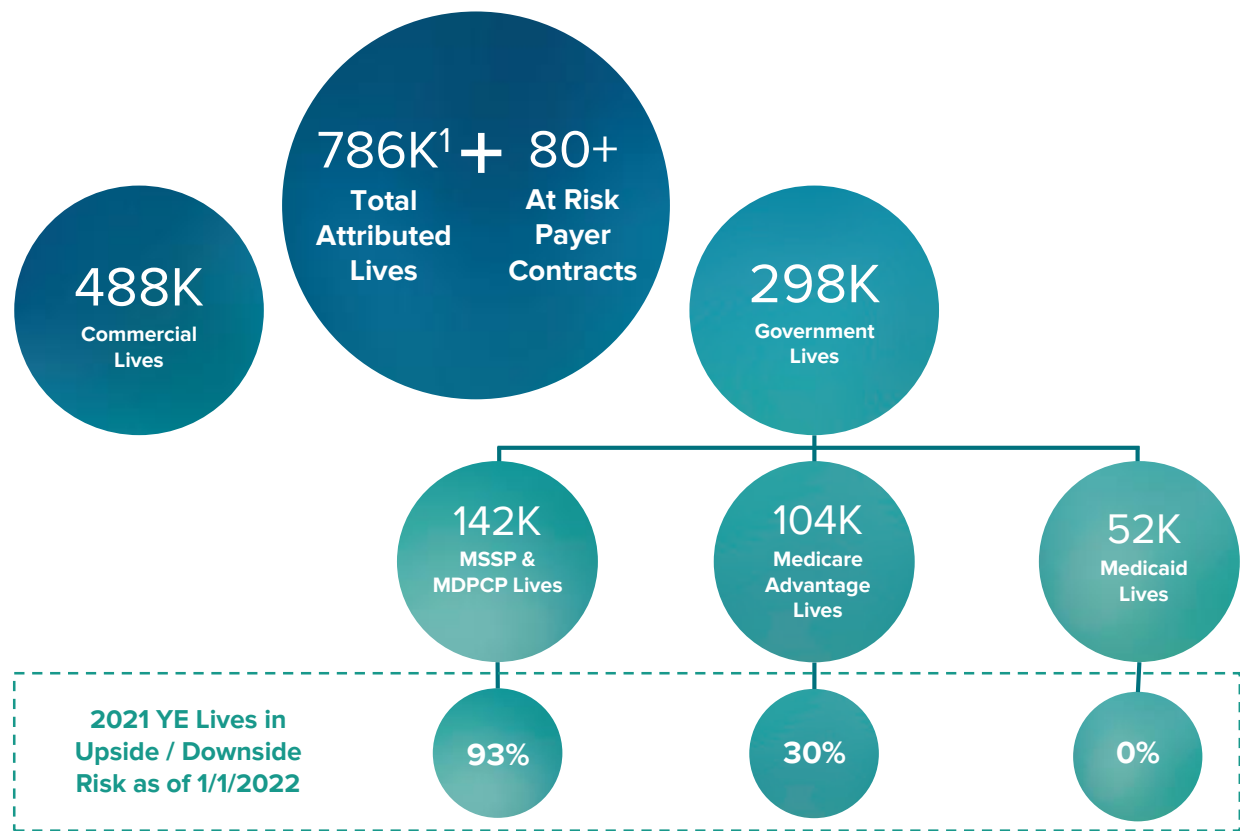


## New Market Development

- New market launches in California and West Texas in 2021
- Announced partnership with Surgery Partners launching in Montana in 2022
- Timing of new markets ahead of expectations

# High-Performing Value-Based Platform Across Reimbursement Models

~2/3 of Medicare Lives in Upside / Downside Risk



# Value-Based Care Scale Not Reflected in Topline

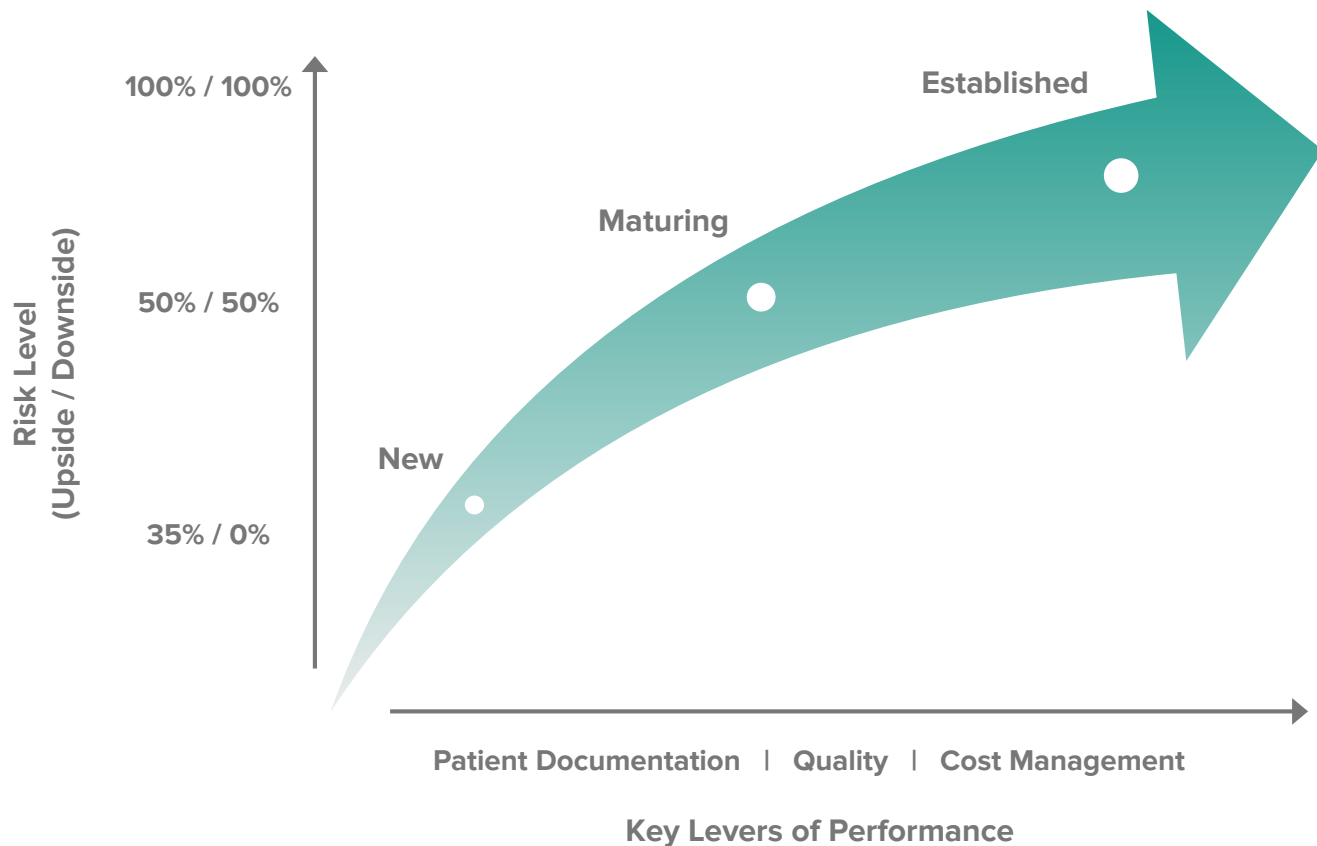
## Illustrative Medical Spend Under Management

Program	Upside Only	Upside / Downside	Total
Illustrative Total Medical Spend	\$3.0	\$2.2	\$5.2
Illustrative Medical Spend Captured Today in Topline		\$0.3	
Illustrative Spend Not Recognized in Topline on Upside / Downside Risk Contracts		\$1.9	

***~\$1.9 Billion Topline Opportunity as Upside/Downside Risk Lives  
Move to Capitation/Full Risk Contracts Over Time***

All data are presented for illustrative purposes only and do not reflect actual economics in any payor contract or any historical or projected financial results of Privia Health. Calculations reflect typical industry economics in value-based care programs based on management's understanding of the industry. Actual terms and parameters can vary materially by contract, geography and payor program.

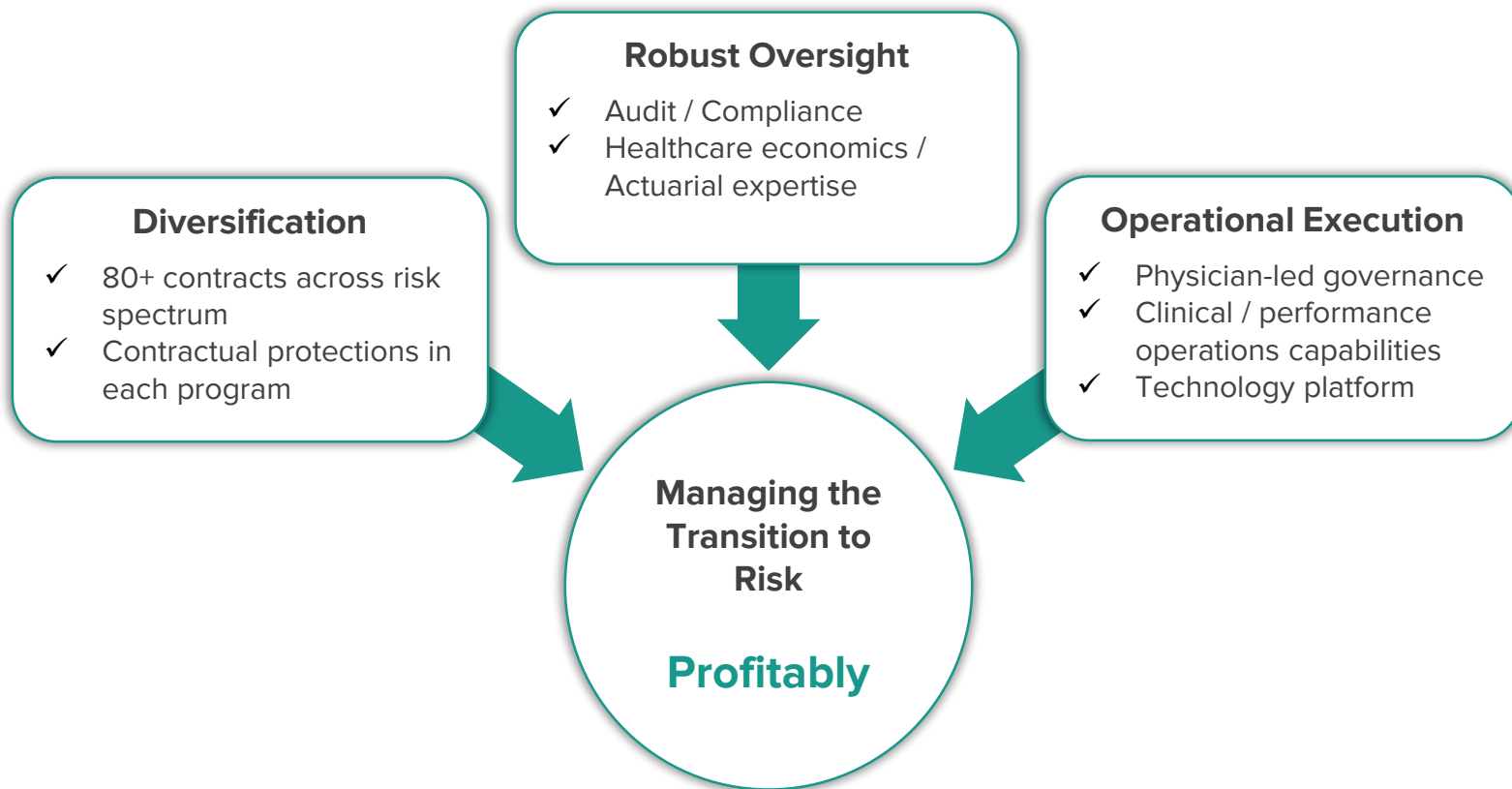
# Thoughtful Approach to Taking Risk in VBC Programs





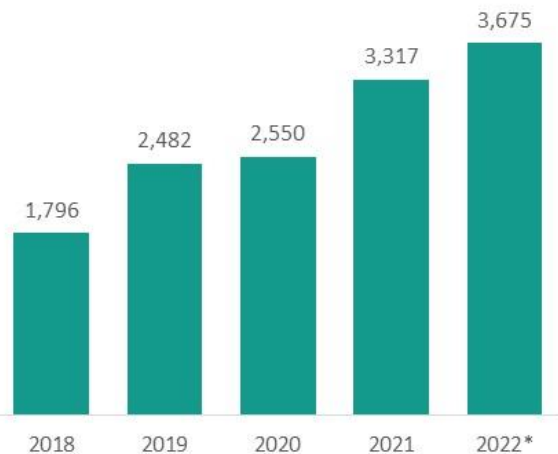
# Privia Has Extensive Experience in Managing Risk

“It’s Called Risk for a Reason”

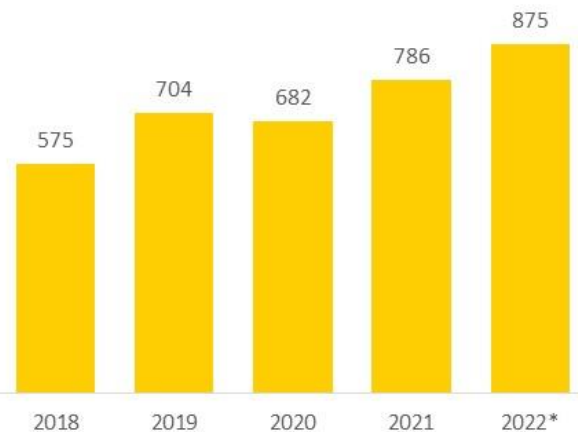


# The Privia Platform is Scaling Rapidly

Implemented Providers  
(Year End)



Attributed Lives  
(Year End; 000)



Practice Collections  
(\$bn)

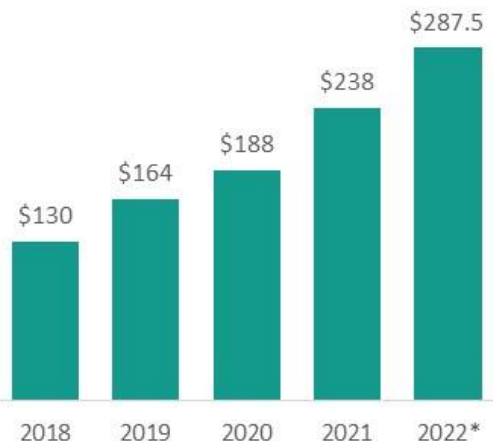


\* The 2022 guidance contained in this slide represents midpoint of guidance provided on March 25, 2022.

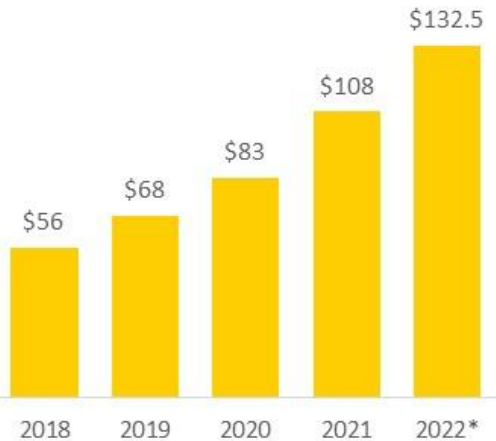
# Improving Margins Over Time

Care Margin  
(\$mm)

LT Growth Target: 20%+

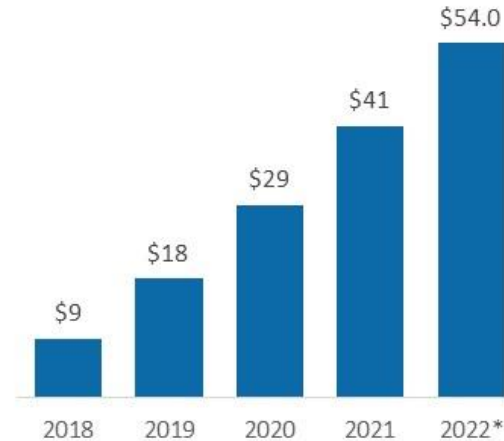


Platform Contribution  
(\$mm)



Adjusted EBITDA  
(\$mm)

LT Growth Target: ~30% - ~40%  
LT Margin Target: 30% - 35% of Care Margin



% Practice Collections  
% Care Margin

6%	6%	6%	7%	6%
44%	42%	44%	45%	46%

% Practice Collections  
% Care Margin

1%	2%	2%	3%	3%
7%	11%	16%	17%	19%

\* The 2022 guidance contained in this slide represents midpoint of guidance provided on March 25, 2022.

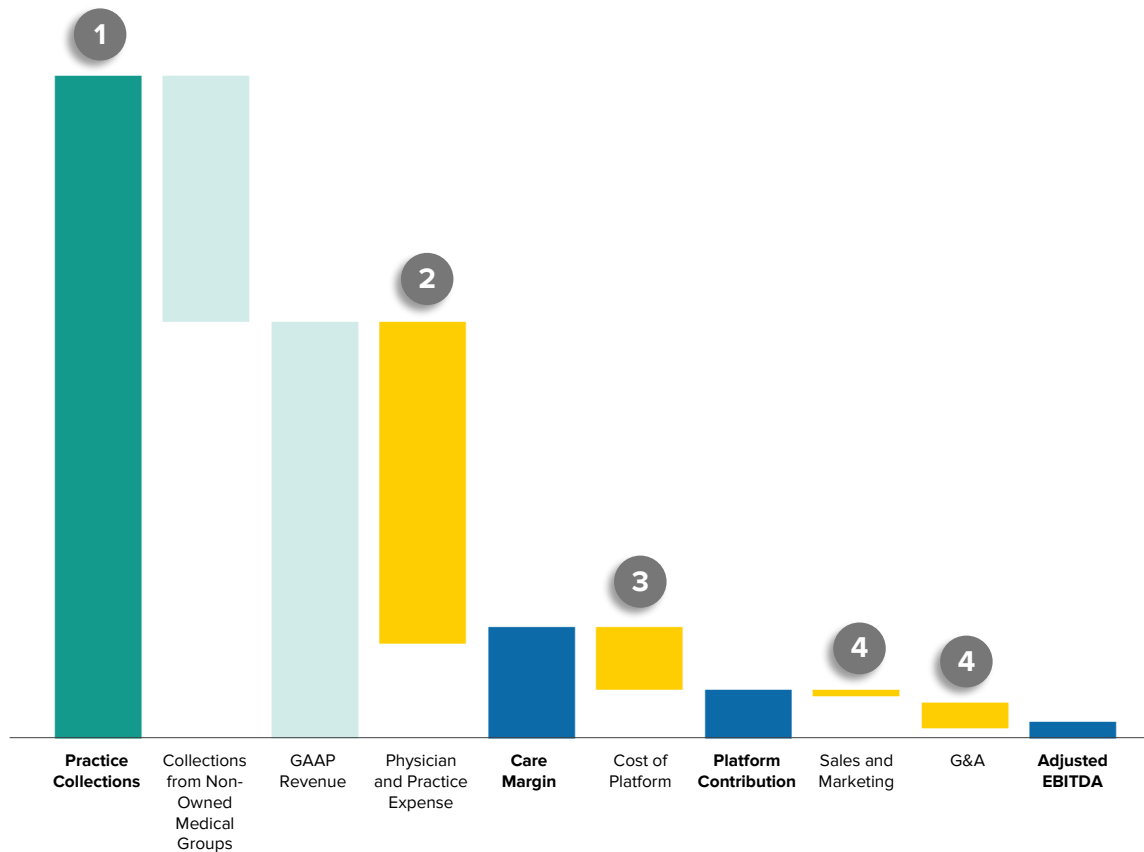
# Accelerated Momentum and Execution Since IPO (April 2021)

(\$ in millions)	2020 Actuals (IPO S-1)	2021 Actuals	2022 Guidance Midpoint	'20-'22 Growth
# of Markets (actual)	6	8	9	50%
Implemented Providers (as of end of period)	2,550	3,317	3,675	44%
Attributed Lives ('000s, as of end of period)	682	786	875	28%
Practice Collections	\$ 1,301.1	\$ 1,626.1	\$ 2,125	63%
GAAP Revenue	\$ 817.1	\$ 966.2	\$1,262.5	55%
Care Margin	\$ 187.6	\$ 238.4	\$ 287.5	53%
Platform Contribution	\$ 82.6	\$ 107.6	\$ 132.5	60%
Adjusted EBITDA	\$ 29.4	\$ 41.4	\$ 54.0	84%



# APPENDIX

# Privia Health: Economic Model <sup>1</sup>



**1 Practice Collections:** FFS collections and VBC payments (care management PMPMs and shared savings) across all markets and all payer contracts

**2 Physician and Practice Expense:**

- a. Medical costs
- b. Physician and provider payments
- c. Provider share of surplus in VBC contracts
- d. Cost to build and operate care center locations

**3 Cost of Platform:** Privia direct operating costs to support all FFS and VBC operations

**4 Sales and Marketing, G&A:** Sales and marketing, technology platform development and corporate G&A costs

# Reconciliation of Operating (Loss) Income to Care Margin<sup>1</sup>

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Operating (loss) income	\$ (19,347)	\$ 4,162	\$ (217,436)	\$ 25,380
Depreciation and amortization	1,113	454	2,464	1,843
General and administrative	39,321	14,820	255,884	44,016
Sales and marketing	3,800	3,962	22,750	11,343
Cost of platform	43,724	27,873	174,731	105,006
Care margin	<u>\$ 68,611</u>	<u>\$ 51,271</u>	<u>\$ 238,393</u>	<u>\$ 187,588</u>

(1) Care Margin is total revenue less the sum of physician and practice expense.

# Reconciliation of Operating (Loss) Income to Platform Contribution<sup>2</sup>

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Operating (loss) income	\$ (19,347)	\$ 4,162	\$ (217,436)	\$ 25,380
Depreciation and amortization	1,113	454	2,464	1,843
General and administrative	39,321	14,820	255,884	44,016
Sales and marketing	3,800	3,962	22,750	11,343
Stock-based compensation <sup>(5)</sup>	2,901	—	43,888	—
Platform contribution	<u>\$ 27,788</u>	<u>\$ 23,398</u>	<u>\$ 107,550</u>	<u>\$ 82,582</u>

(2) Platform Contribution is total revenue less the sum of physician and practice expense and cost of platform.

(5) Amount represents stock-based compensation expense included under Cost of Platform.



# Reconciliation of Net (Loss) Income to Adjusted EBITDA<sup>3</sup>

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Net (loss) income	\$ (11,979)	\$ 3,864	\$ (188,230)	\$ 31,244
Net income (loss) attributable to non-controlling interests	90	(85)	(2,419)	(340)
Benefit from income taxes	(7,643)	(54)	(27,857)	(7,441)
Interest expense	185	437	1,070	1,917
Depreciation and amortization	1,113	454	2,464	1,843
Stock-based compensation	25,071	121	253,531	484
Other expenses <sup>(6)</sup>	691	1,631	2,818	1,665
Adjusted EBITDA	<u>\$ 7,528</u>	<u>\$ 6,368</u>	<u>\$ 41,377</u>	<u>\$ 29,372</u>

<sup>(a)</sup> Any slight variations in totals are due to rounding.

<sup>(3)</sup> Adjusted EBITDA is net income (loss) attributable to Privia Health Group, Inc. shareholders and subsidiaries excluding minority interests, provision (benefit) for income taxes, interest income, interest expense, depreciation and amortization, stock-based compensation, severance charges and other non-recurring expenses.

<sup>(6)</sup> Other expenses include certain non-cash or non-recurring costs.

# Reconciliation of Net (Loss) Income to Adjusted Net Income Per Share<sup>a</sup>

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Net (loss) income	\$ (11,979)	\$ 3,864	\$ (188,230)	\$ 31,244
Stock-based compensation	25,071	121	253,531	484
Intangible amortization expense	830	160	1,312	642
Benefit from income tax	(7,643)	(54)	(27,857)	(7,441)
Other expenses <sup>(6)</sup>	691	1,631	2,818	1,665
Adjusted net income attributable to <u>Privia Health Group, Inc.</u>	<u>\$ 6,970</u>	<u>\$ 5,722</u>	<u>\$ 41,574</u>	<u>\$ 26,594</u>
Adjusted net income per share attributable to <u>Privia Health Group, Inc.</u> stockholders – basic	<u>\$ 0.07</u>	<u>\$ 0.06</u>	<u>\$ 0.40</u>	<u>\$ 0.28</u>
Adjusted net income per share attributable to <u>Privia Health Group, Inc.</u> stockholders – diluted	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.36</u>	<u>\$ 0.28</u>
Weighted average common shares outstanding – basic	<u>107,034,298</u>	<u>95,985,817</u>	<u>102,952,370</u>	<u>95,950,062</u>
Weighted average common shares outstanding – diluted	<u>120,690,458</u>	<u>95,985,817</u>	<u>114,830,915</u>	<u>95,950,062</u>

<sup>(a)</sup> Any slight variations in totals due to rounding.

<sup>(6)</sup> Other expenses include certain non-cash or non-recurring costs.

# Reconciliation of Operating (Loss) Income to 2021 Care Margin Guidance<sup>1</sup>

(\$ in millions)	FY 2021 Guidance at 11.8.21 (a)	
	Low	High
Operating loss	\$ (215,000)	\$ (227,000)
Depreciation and amortization	2,000	3,000
General and administrative	250,000	256,000
Sales and marketing	22,000	23,000
Cost of platform	166,000	175,000
Care Margin	<u>\$ 225,000</u>	<u>\$ 230,000</u>

(a) Any slight variations in totals are due to rounding

(1) Care Margin is total revenue less the sum of physician and practice expense.

# Reconciliation of Operating (Loss) Income to 2021 Platform Contribution Guidance<sup>2</sup>

(\$ in millions)	FY 2021 Guidance at 11.8.21 (a)	
	Low	High
Operating loss	\$ (215,000)	\$ (227,000)
Depreciation and amortization	2,000	3,000
General and administrative	250,000	256,000
Sales and marketing	22,000	23,000
Stock-based compensation ( c)	43,000	50,000
Platform contribution	<u>102,000</u>	<u>105,000</u>

(a) Any slight variations in totals are due to rounding

(c) Amount represents stock-based compensation expense included under Cost of Platform

(2) Platform Contribution is total revenue less the sum of physician and practice expense and cost of platform.

# Reconciliation of Net (Loss) Income to 2021 Adjusted EBITDA Guidance<sup>3</sup>

(\$ in millions)	FY 2021 Guidance at 11.8.21 (a)	
	Low	High
Net loss	\$ (187,000)	\$ (190,500)
Net loss attributable to non-controlling interests	(2,000)	(2,500)
Benefit from income tax	(27,000)	(28,000)
Interest expense	1,000	2,000
Depreciation and amortization	2,000	3,000
Stock-based compensation	250,000	254,000
Other expenses ( e)	2,000	3,000
Adjusted EBITDA	<u>\$ 39,000</u>	<u>\$ 41,000</u>

(a) Any slight variations in totals are due to rounding

(e) Other expenses include certain non-cash or non-recurring costs

(3) Adjusted EBITDA is net income (loss) attributable to Privia Health Group, Inc. shareholders and subsidiaries excluding minority interests, provision (benefit) for income taxes, interest income, interest expense, depreciation and amortization, stock-based compensation, severance charges and other non-recurring expenses.



**Thank You**

**PriviaHealth.com**

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