



4<sup>th</sup> Quarter 2023 Results

*February 27, 2024*

Parth Mehrotra – Chief Executive Officer  
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: 2024 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; Free Cash Flow and Net Cash Position. 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 Gross Profit, Operating Income, Net Income, and Net cash provided by operating activities. 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

- **2023 Performance**
- **2024 Focus Areas and Key Business Highlights**
- **4Q and FY'23 Performance**
- **2024 Guidance**
- **Q&A**

# Delivered on All Operating and Financial Guidance in 2023 <sup>1</sup>

- Met or exceeded 2023 updated guidance on all metrics
- Record year of new provider signings with gross provider retention of 98+%
- Accelerated implementations, strong FFS and VBC performance, and new markets growth offset ~\$110M Practice Collections headwind from restructuring of capitation contract announced in 1Q'23
- Entered 3 new states – Connecticut, South Carolina and Washington
- Platform contribution outperformance helped absorb incremental new market entry costs
- Strong free cash flow generation; YE'23 cash balance of ~\$390M; no debt

(\$ in millions)	Initial FY'23 Guidance		Updated/Reiterated FY'23 Guidance on January 8, 2024	FY'23 Actual
	Low	High		
Implemented Providers	4,050	4,150	Above High End	<b>4,305</b>
Attributed Lives	1,050,000	1,150,000	Midpoint	<b>1,120,000</b>
Practice Collections	\$ 2,700	\$ 2,850	Midpoint	<b>\$ 2,839.0</b>
GAAP Revenue	\$ 1,550	\$ 1,650	Mid to High End	<b>\$ 1,657.7</b>
Care Margin	\$ 350	\$ 365	Mid to High End	<b>\$ 359.2</b>
Platform Contribution	\$ 160	\$ 168	Above High End	<b>\$ 173.5</b>
Adjusted EBITDA	\$ 70	\$ 74	Mid to High End	<b>\$ 72.2</b>

<sup>1</sup> For reconciliations of Adjusted EBITDA to Net Income (Loss), please see the Appendix.

# Key Focus Areas for 2024 <sup>1</sup>

## *Limiting MA Downside Risk While Growing Adjusted EBITDA 20+%*

### Flexibility in Challenging MA Environment

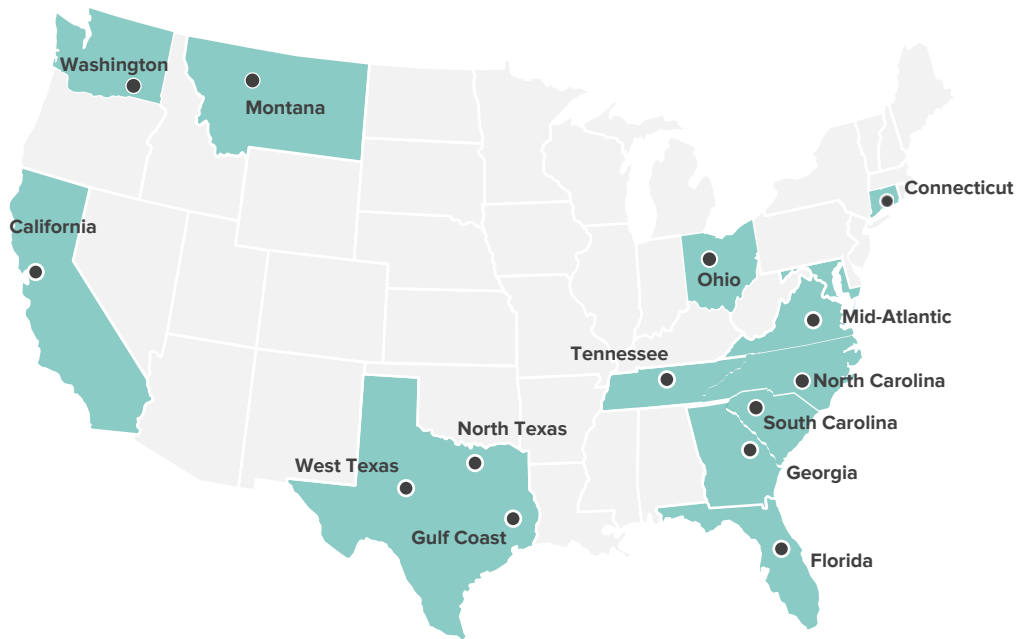
- Limiting downside-risk arrangements for more favorable structures and margin contribution in challenging Medicare Advantage environment
  - Renegotiating MA capitation contracts expected to reduce capitated Practice Collections by ~\$198M Y-Y as ~19.9K attributed lives move to upside / downside risk arrangements
  - Exiting Delaware ACO (~12K attributed lives in the Medicare Shared Savings Program)
  - Prudent accrual methodology: 2024 guidance assumes minimal increase in Shared Savings accruals across VBC book

### Sustainable Topline and EBITDA Growth

- Focus on increasing density and scale in existing markets through organic provider growth
- Expect operating leverage to drive ~21% Adjusted EBITDA growth (at guidance midpoint) and ~80% free cash flow conversion
  - Investing ~\$10-12M in platform costs in 2024 to support recent, new market entries
  - Expect Adjusted EBITDA margin as % of Care Margin to increase ~200 basis points (at guidance midpoint)
- Continued business development efforts to enter new states and expand TAM

<sup>1</sup> Management has not reconciled forward-looking non-GAAP measures to their most directly comparable GAAP measures 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.

# Building One of the Largest Primary Care-Centric Delivery Networks



**13**  
States  
(plus D.C.)

**1,100+**  
Care Center  
Locations

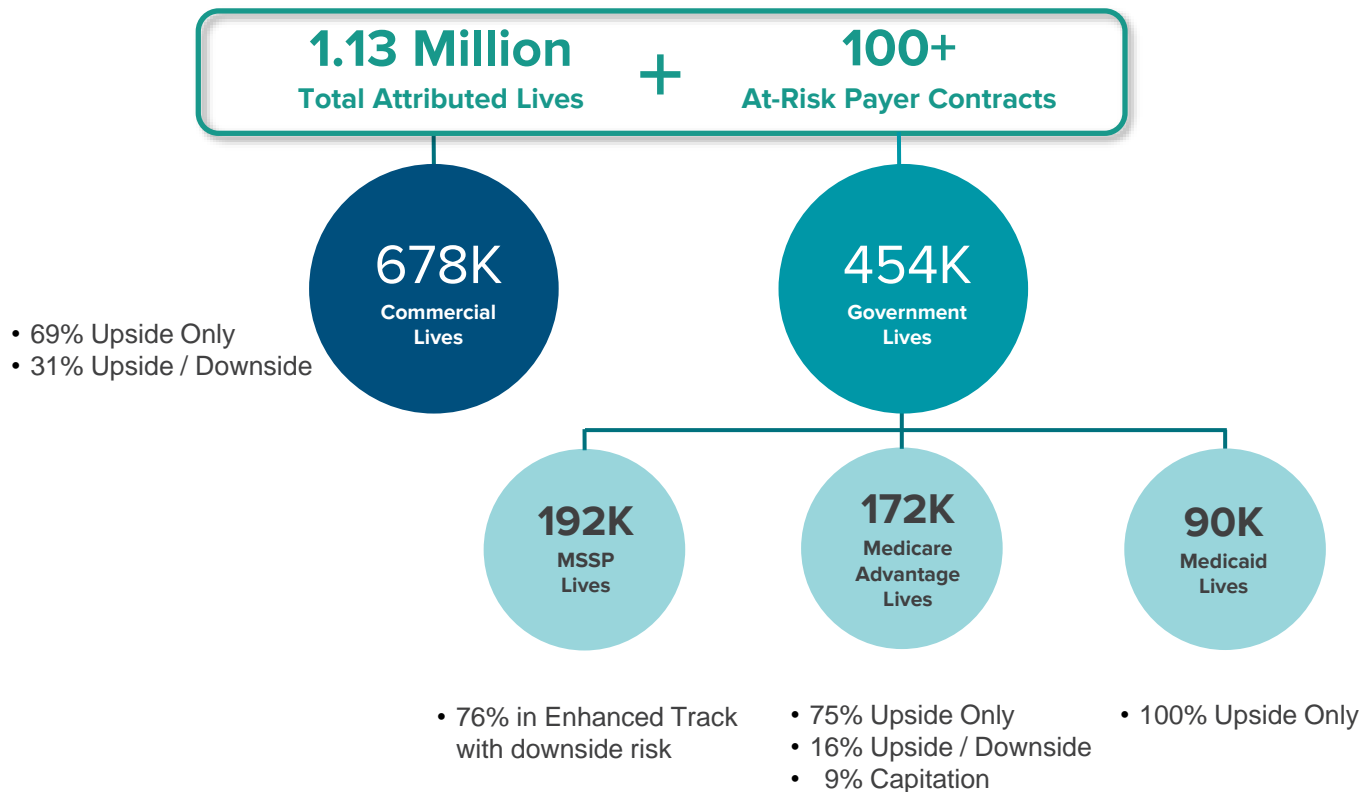
**4,305**  
Implemented  
Providers  
*(Excludes 1,350  
Privia Care Partners'  
providers)*

**50+**  
Specialties  
on Platform

**4.8M+**  
Patients

**1.13M**  
Attributed  
Lives  
*(Includes ~200K  
Privia Care Partners'  
lives)*

# Diversified Value-Based Platform Across Reimbursement Models <sup>1</sup>



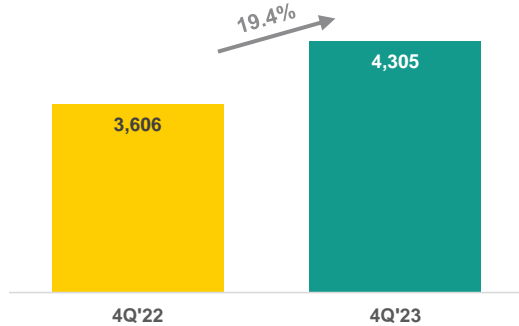
# Approximate Medical Spend Under Management Across VBC Book <sup>1</sup>

<u>Contract Type</u>	<u>Medical Spend Under Management</u>	<u>Recognized in Practice Collections and GAAP Revenue</u>
Commercial	\$4.1B+	Shared Savings & Care Mgmt fees
MSSP	\$2.4B+	Shared Savings only
MA - Upside Only & Upside/Downside	\$1.8B+	Shared Savings & Care Mgmt fees
MA - Capitation	\$0.2B+	Premium Revenue
Medicaid	<u>\$0.5B+</u>	Shared Savings & Care Mgmt fees
<b>Total</b>	<b>\$8.9B+</b>	

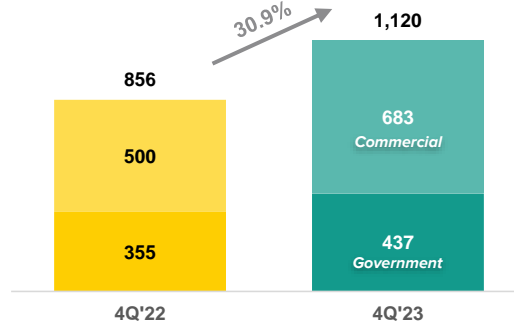


# 4Q'23 Performance <sup>1</sup>

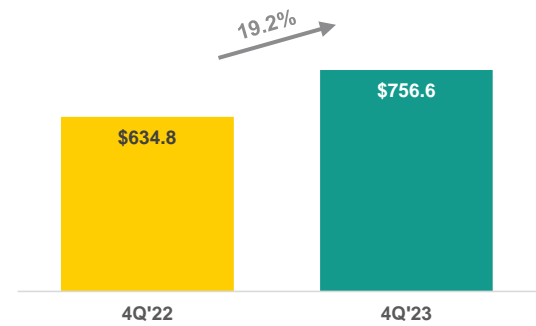
## Implemented Providers (as of end of period)



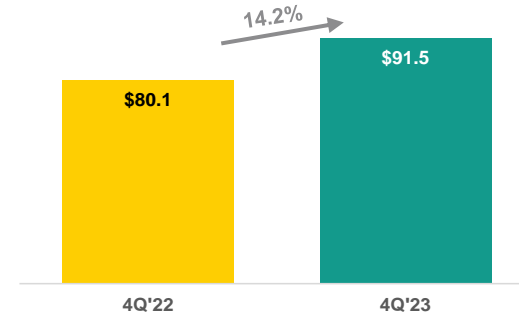
## Attributed Lives ('000s, as of end of period)<sup>1</sup>



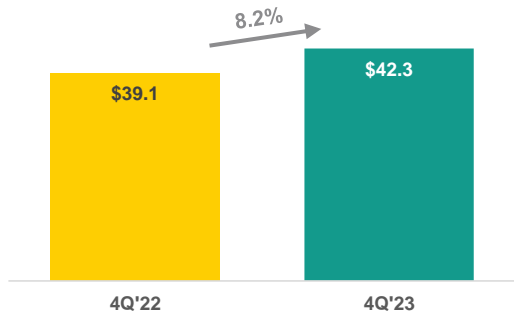
## Practice Collections (\$mm)



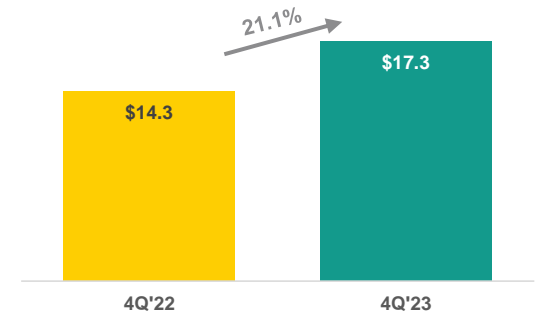
## Care Margin (\$mm)



## Platform Contribution (\$mm)



## Adjusted EBITDA (\$mm)

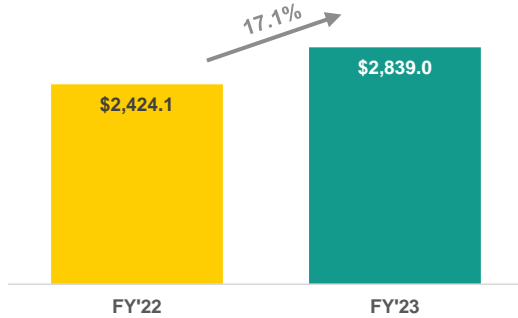


% Practice Collections	6.2%	5.6%	% Practice Collections	2.2%	2.3%
% Care Margin	48.8%	46.2%	% Care Margin	17.8%	18.9%

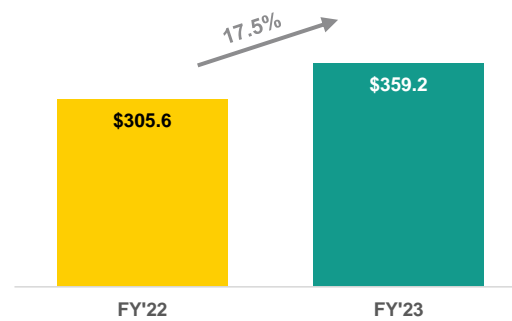
<sup>1</sup> Solid bar represents government lives and shaded bar represents commercial lives. Any slight variations in calculations due to rounding. For reconciliations of Care Margin to Gross Profit, Platform Contribution to Gross Profit, and Adjusted EBITDA to Net Income (Loss), please see the Appendix.

# FY'23 Financial Performance <sup>1</sup>

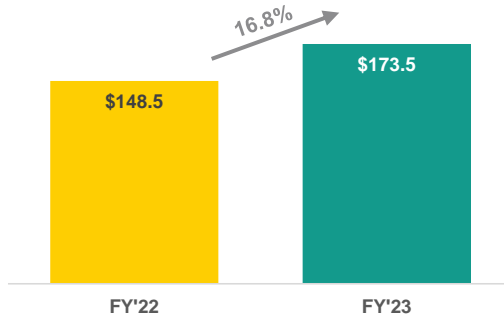
## Practice Collections (\$mm)



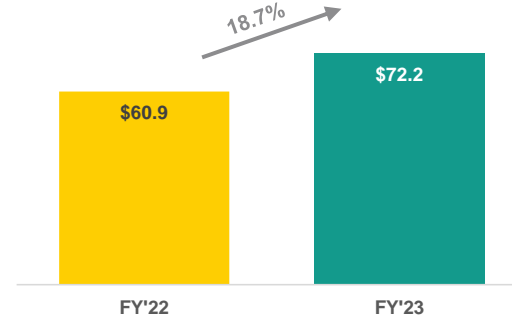
## Care Margin (\$mm)



## Platform Contribution (\$mm)



## Adjusted EBITDA (\$mm)



% Practice Collections	6.1%	6.1%
% Care Margin	48.6%	48.3%

% Practice Collections	2.5%	2.5%
% Care Margin	19.9%	20.1%

<sup>1</sup> Any slight variations in calculations due to rounding. For reconciliations of Care Margin to Gross Profit, Platform Contribution to Gross Profit, and Adjusted EBITDA to Net Income (Loss), please see the Appendix.

# Strong Balance Sheet and Capital Position

- ~\$390M in net cash; no debt
- Full-year Free Cash Flow<sup>1</sup> of \$80.7M (100+% of FY'23 Adjusted EBITDA)
- Invested \$42.9M on acquisitions to enter new states in FY 2023
- \$125M revolving loan facility available and undrawn as of 12.31.23
- Fully diluted share count 124.7M (at 12.31.23)

<i>(In millions)</i>	<b>At 12.31.23</b>	At 12.31.22
Cash and cash equivalents	<b>\$ 389.5</b>	\$ 348.0
Less: Debt	—	—
Net cash position	<b>\$ 389.5</b>	\$ 348.0

<sup>1</sup> Full-year Free Cash Flow is defined as Net cash provided by operating activities less capital expenditures (Purchases of property and equipment).

# FY'24 Guidance <sup>1</sup>

(\$ in millions)	FY'24 Guidance		FY'23 Actual	Y-Y % Change from FY'23*	
	Low	High		Low	High
Implemented Providers	4,650	4,750	4,305	8.0%	10.3%
Attributed Lives	1,150,000	1,200,000	1,120,000	2.7%	7.1%
Practice Collections	\$ 2,775	\$ 2,875	\$ 2,839.0	(2.2)%	1.3%
GAAP Revenue	\$ 1,600	\$ 1,675	\$ 1,657.7	(3.5)%	1.0%
Care Margin	\$ 388	\$ 400	\$ 359.2	8.0%	11.4%
Platform Contribution	\$ 180	\$ 188	\$ 173.5	3.4%	8.0%
Adjusted EBITDA	\$ 85	\$ 90	\$ 72.2	17.7%	24.7%

- Practice Collections guidance includes Y-Y impact of ~\$198M from MA capitation agreements being renegotiated, and assumes minimal Y-Y increase in Shared Savings
- Adjusted EBITDA guidance includes ~\$10-12M in start-up costs for new geographies announced in last 15 months
- Capital expenditures expected to be less than \$1 million; Effective tax rate expected to be ~27-28%
- Approximately 80% of Adjusted EBITDA expected to convert to Free Cash Flow (defined as net cash provided by operating activities less capital expenditures) in FY 2024

<sup>1</sup> Any slight variations in percentages are due to rounding. Management has not reconciled forward-looking non-GAAP measures to their most directly comparable GAAP measures 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.



## Q & A

# APPENDIX

# Reconciliation of Gross Profit to Care Margin <sup>s</sup>

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2023	2022	2023	2022
Revenue	\$ 440,828	\$ 364,424	\$ 1,657,737	\$ 1,356,660
Provider expense	(349,378)	(284,368)	(1,298,573)	(1,051,040)
Amortization of intangible assets	(1,477)	(842)	(5,359)	(3,351)
Gross Profit	\$ 89,973	\$ 79,214	\$ 353,805	\$ 302,269
Amortization of intangible assets	1,477	842	5,359	3,351
Care margin	\$ 91,450	\$ 80,056	\$ 359,164	\$ 305,620

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

# Reconciliation of Gross Profit to Platform Contribution <sup>t u</sup>

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2023	2022	2023	2022
Revenue	\$ 440,828	\$ 364,424	\$ 1,657,737	\$ 1,356,660
Provider expense	(349,378)	(284,368)	(1,298,573)	(1,051,040)
Amortization of intangible assets	(1,477)	(842)	(5,359)	(3,351)
Gross Profit	89,973	79,214	353,805	302,269
Amortization of intangible assets	1,477	842	5,359	3,351
Cost of platform	(52,409)	(43,343)	(197,663)	(170,838)
Stock-based compensation <sup>(u)</sup>	3,241	2,376	11,980	13,758
Platform Contribution	\$ 42,282	\$ 39,089	\$ 173,481	\$ 148,540

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

<sup>(u)</sup> Amount represents stock-based compensation expense included under Cost of Platform.



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

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ 2,838	\$ 17,776	\$ 23,079	\$ (8,585)
Net (loss) attributable to non-controlling interests	(514)	(928)	(2,051)	(3,479)
Provision for (benefit from) income taxes	1,944	(13,447)	7,993	(6,516)
Interest expense	(2,848)	(1,152)	(8,372)	(542)
Depreciation and amortization	1,772	1,135	6,533	4,571
Stock-based compensation	11,669	9,175	37,098	67,359
Other expenses <sup>(w)</sup>	2,418	1,706	7,948	8,044
Adjusted EBITDA	\$ 17,279	\$ 14,265	\$ 72,228	\$ 60,852

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

<sup>(w)</sup> Other expenses include employer taxes on equity vesting/exercises, legal, severance and certain non-recurring costs. Employer taxes on equity vesting/exercises of \$1.6 million and \$3.2 million were recorded for the years ended December 31, 2023 and 2022, respectively.

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

(unaudited; \$ in thousands)	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ 2,838	\$ 17,776	\$ 23,079	\$ (8,585)
Stock-based compensation	11,669	9,175	37,098	67,359
Intangible amortization expense	1,477	842	5,359	3,351
Provision for (benefit from) income tax	1,944	(13,447)	7,993	(6,516)
Other expenses <sup>(y)</sup>	2,418	1,706	7,948	8,044
Adjusted net income attributable to Privia Health Group, Inc.	<u>\$ 20,346</u>	<u>\$ 16,052</u>	<u>\$ 81,477</u>	<u>\$ 63,653</u>
Adjusted net income per share attributable to Privia Health Group, Inc. stockholders – basic	<u>\$ 0.16</u>	<u>\$ 0.14</u>	<u>\$ 0.69</u>	<u>\$ 0.58</u>
Adjusted net income per share attributable to Privia Health Group, Inc. stockholders – diluted	<u>\$ 0.15</u>	<u>\$ 0.13</u>	<u>\$ 0.64</u>	<u>\$ 0.52</u>
Weighted average common shares outstanding – basic	<u>118,109,663</u>	<u>114,364,180</u>	<u>116,731,406</u>	<u>110,695,266</u>
Weighted average common shares outstanding – diluted	<u>124,924,442</u>	<u>124,142,657</u>	<u>125,084,821</u>	<u>122,952,853</u>

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

<sup>(y)</sup> Other expenses include employer taxes on equity vesting/exercises, legal, severance and certain non-recurring costs. Employer taxes on equity vesting/exercises of \$1.6 million and \$3.2 million were recorded for the years ended December 31, 2023 and 2022, respectively.



**Thank You**

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