



3<sup>rd</sup> Quarter 2023 Results

*November 3, 2023*

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: 2023 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 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

- **Key Business Highlights**
- **3Q and YTD'23 Performance**
- **2023 Outlook**
- **Q&A**

# Key Business Highlights

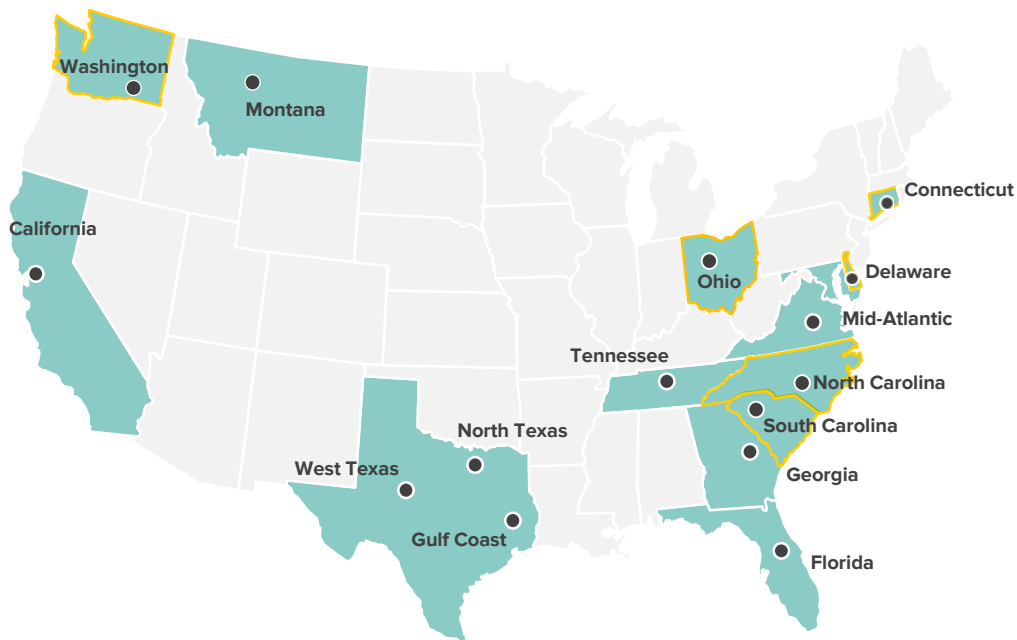
## *Continued Operational Strength in Third Quarter Performance*

- Continued strength in same-store growth
- Record provider additions in existing markets
- 3Q'23 Implemented Providers of 4,105, +14.2% versus 3Q'22
- 3Q'23 Practice Collections of \$723.5M, +18.2% versus 3Q'22
- 3Q'23 Adjusted EBITDA of \$18.8M, +20.0% versus 3Q'22

## *New Market Entry*

- Privia Medical Group Launches in South Carolina
- Partnership with Greenville ENT and Allergy Associates, a practice with ~20 providers expected to be implemented in the first half of 2024
- Entered six new states in last 12 months

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



**14**  
States  
(plus D.C.)

**1,000+**  
Care Center  
Locations

**4,105**  
Implemented  
Providers  
*(Excludes Privia Care  
Partners' providers)*

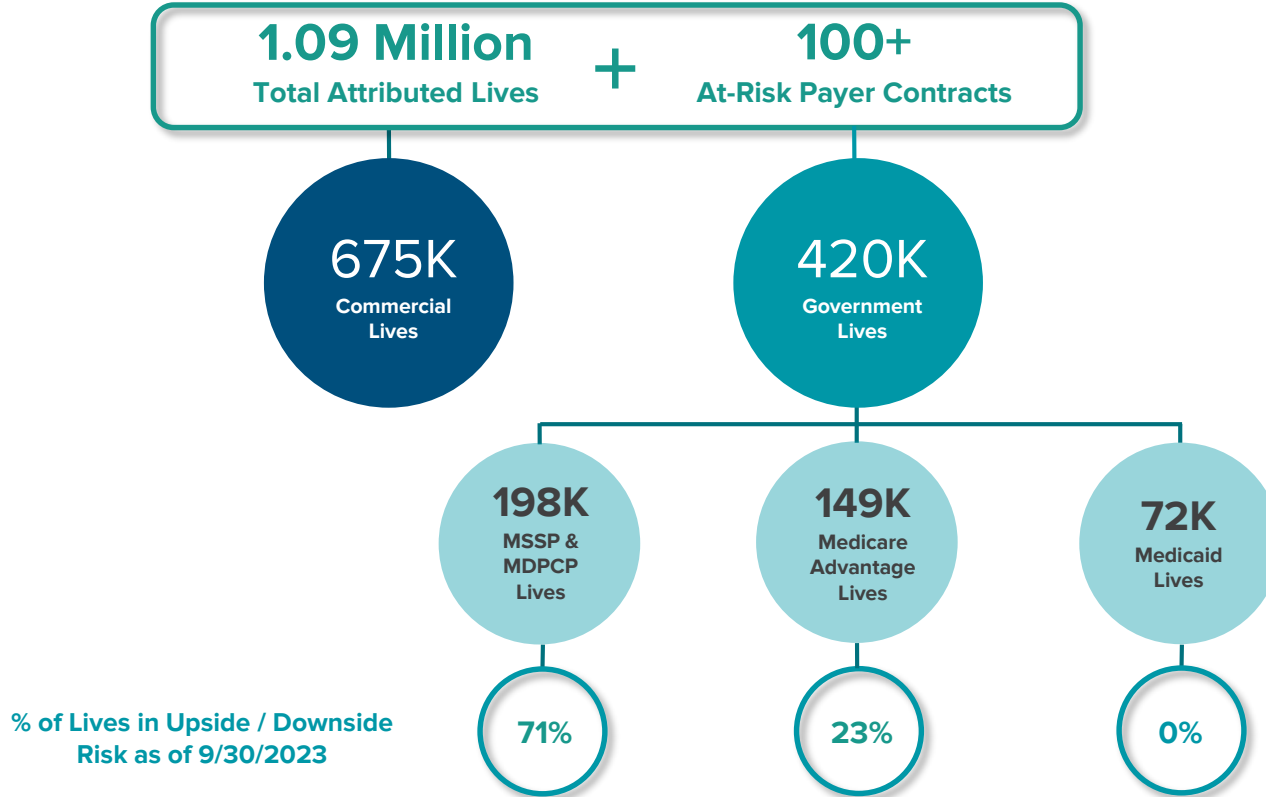
**50+**  
Specialties  
on Platform

**4.7M+**  
Patients

**1.09M**  
Attributed  
Lives  
*(Includes Privia Care  
Partners' lives)*

\* All data as of September 30, 2023, except for the definitive agreement to enter South Carolina that was announced November 3, 2023

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



<sup>1</sup>All data estimated as of September 30, 2023. Any slight variations in totals due to rounding.

# Continued Success in MSSP and Downside Risk

- **163,661** Medicare beneficiaries across ACOs in 7 markets
- **\$131.7M in total shared savings (+31.8%)** across Privia ACOs
- Mid-Atlantic ACO:
  - **60,800+ lives in Enhanced Track with downside risk**
  - **Highest savings rate (10.0%)** of all ACOs with 40K+ lives

MSSP 2022 Performance <sup>1</sup>	Improvement vs. Median MSSP ACO	Improvement vs. Total FFS Medicare
Total annual average expenditures	↑ 8%	↑ 18%
Emergency room utilization	↑ 20%	↑ 27%
Outpatient facility spend	↑ 19%	↑ 34%
Inpatient facility spend	↑ 12%	↑ 24%

**77% of total MSSP lives in downside risk tracks in 2022 versus 0% in 2019**

<sup>1</sup>Based on data provided by CMS at <https://www.cms.gov/newsroom/press-releases/medicare-shared-savings-program-saves-medicare-more-18-billion-2022-and-continues-deliver-high>

# Managing \$1.8 Billion in Medical Spend in MSSP <sup>1</sup>

2022 MSSP Results	All Privia MSSP ACOs <sup>1</sup>
2022 MSSP Lives	163,661
Per Capita Benchmark (PMPY)	\$11,016
Benchmark Spend (\$mm)	\$1,803
Avg Aggregate Savings Rate	7.6%
Gross Shared Savings (\$mm)	\$131.7
Privia ACO Share of Shared Savings (\$mm)	\$91.2

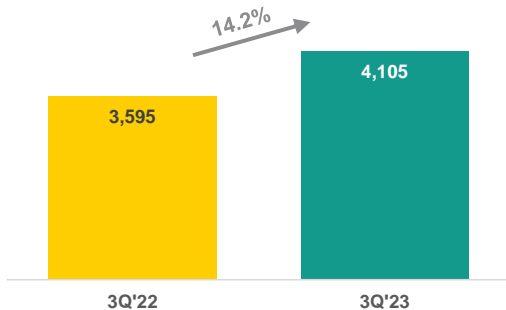
Practice Collections and GAAP Revenue only include Privia ACOs' share of shared savings

<sup>1</sup>Based on data provided by CMS at <https://www.cms.gov/newsroom/press-releases/medicare-shared-savings-program-saves-medicare-more-18-billion-2022-and-continues-deliver-high>

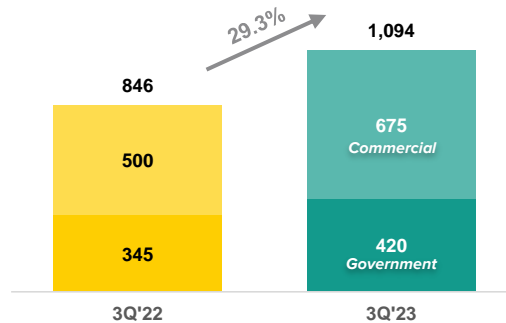


# 3Q'23 Performance

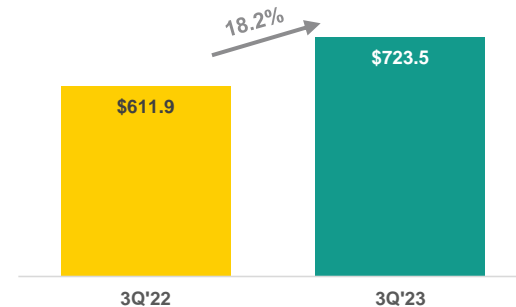
Implemented Providers (as of end of period)



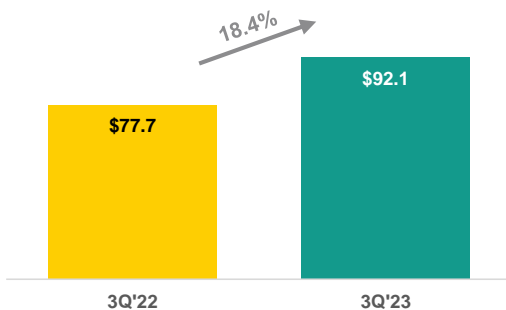
Attributed Lives ('000s, as of end of period)<sup>1</sup>



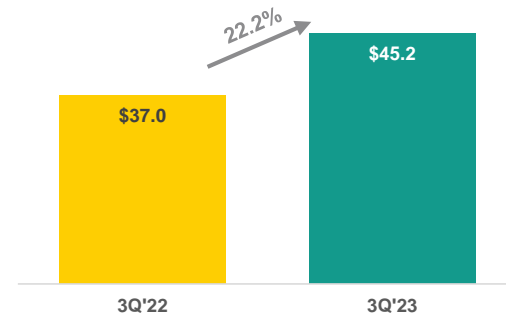
Practice Collections (\$mm)



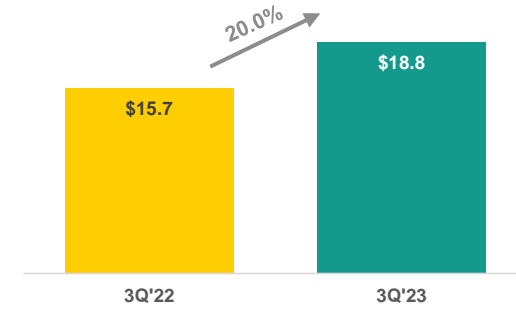
Care Margin (\$mm)



Platform Contribution (\$mm)



Adjusted EBITDA (\$mm)

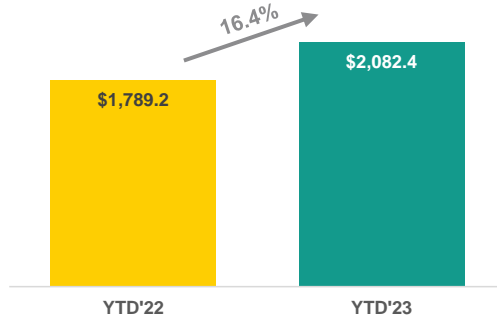


% Practice Collections	6.0%	6.2%	% Practice Collections	2.6%	2.6%
% Care Margin	47.6%	49.1%	% Care Margin	20.1%	20.4%

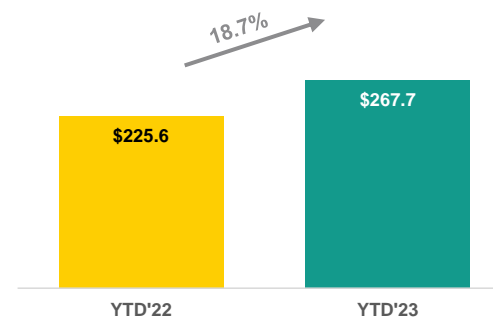
<sup>1</sup> Solid bar represents government lives and shaded bar represents commercial lives. Note: Any slight variations in calculations due to rounding. For reconciliations of Care Margin to Gross Profit, Platform Contribution to Gross Profit, and Adjusted EBITDA to Net Income (Loss), please see the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

# YTD'23 Performance

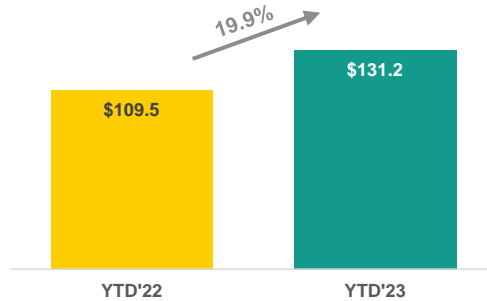
## Practice Collections (\$mm)



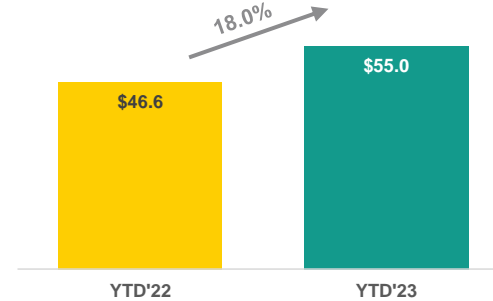
## Care Margin (\$mm)



## Platform Contribution (\$mm)



## Adjusted EBITDA (\$mm)



	YTD'22	YTD'23
% Practice Collections	6.1%	6.3%
% Care Margin	48.5%	49.0%

	YTD'22	YTD'23
% Practice Collections	2.6%	2.6%
% Care Margin	20.7%	20.5%

<sup>1</sup> Solid bar represents government lives and shaded bar represents commercial lives. Note: 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

- No debt and ~\$371M in pro forma net cash
- YTD pro forma Free Cash Flow of \$57.3M <sup>1</sup>

<i>(In millions)</i>	At 9.30.23 *	At 12.31.22
Cash and cash equivalents	\$ 330.4	\$ 348.0
Net cash received: MSSP shared savings less provider distribution	\$ 40.7	--
Less: Debt	--	--
<b>Net cash position <sup>2</sup></b>	<b>\$ 371.1</b>	<b>\$ 348.0</b>

<sup>1</sup> YTD pro forma Free Cash Flow is defined as Net cash provided by operating activities less capital expenditures (Purchases of property and equipment), plus Net cash received from the Medicare Shared Savings Program (MSSP) shared savings less provider distribution.

<sup>2</sup> 9/30/23 net cash position adjusted to reflect cash of approximately \$91.2 million received in October 2023 from the Centers for Medicare and Medicaid Services (CMS) less approximately \$50.5 million to be dispersed to providers. The cash received from CMS was payment for Privia Health's portion of the shared savings generated in the 2022 performance year of the MSSP.

# Updated FY'23 Guidance at November 3, 2023

(\$ in millions)	Initial FY'23 Guidance at 2.28.23*		Current FY'23 Guidance
	Low	High	
Implemented Providers	4,050	4,150	Above High End
Attributed Lives	1,050,000	1,150,000	Midpoint
Practice Collections	\$ 2,700	\$ 2,850	Midpoint
GAAP Revenue	\$ 1,550	\$ 1,650	Mid to High End
Care Margin	\$ 350	\$ 365	Mid to High End
Platform Contribution	\$ 160	\$ 168	Above High End
Adjusted EBITDA	\$ 70	\$ 74	Mid to High End

- Practice Collections guidance includes impact of paused capitated agreement previously announced
- Adjusted EBITDA guidance includes ~\$10M in start-up costs for new geographies and ACOs, and higher than initially forecasted our sales and marketing costs due to record in-market sales
- Approximately 80-90% of Adjusted EBITDA expected to convert to free cash flow (defined as net cash provided by operating activities less capital expenditures) in FY 2023

\* Any slight variations in percentages are due to rounding



## Q & A

# APPENDIX

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

(unaudited; \$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 417,282	\$ 342,899	\$ 1,216,909	\$ 992,236
Provider expense	(325,222)	(265,174)	(949,195)	(766,672)
Amortization of intangible assets	(1,434)	(842)	(3,883)	(2,509)
Gross Profit	\$ 90,626	\$ 76,883	\$ 263,831	\$ 223,055
Amortization of intangibles assets	1,434	842	3,883	2,509
Care margin	\$ 92,060	\$ 77,725	\$ 267,714	\$ 225,564

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

# Reconciliation of Gross Profit to Platform Contribution <sup>a 5</sup>

(unaudited; \$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 417,282	\$ 342,899	\$ 1,216,909	\$ 992,236
Provider expense	(325,222)	(265,174)	(949,195)	(766,672)
Amortization of intangibles assets	(1,434)	(842)	(3,883)	(2,509)
Gross Profit	\$ 90,626	\$ 76,883	\$ 263,831	\$ 223,055
Amortization of intangibles assets	1,434	842	3,883	2,509
Cost of platform	(50,324)	(43,839)	(145,254)	(127,495)
Stock-based compensation <sup>(5)</sup>	3,445	3,095	8,739	11,382
Platform Contribution	\$ 45,181	\$ 36,981	\$ 131,199	\$ 109,451

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

<sup>(5)</sup> Amount represents stock-based compensation expense included in Cost of Platform.



# Reconciliation of Net Income (Loss) to Adjusted EBITDA <sup>a 6</sup>

(unaudited; \$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 5,643	\$ 1,624	\$ 20,241	\$ (26,361)
Net income (loss) attributable to non-controlling interests	299	(1,068)	(1,537)	(2,551)
Provision for (benefit from) income	2,488	(4,845)	6,049	6,931
Interest (income) expense, net	(2,894)	(285)	(5,524)	610
Depreciation and amortization	1,731	1,153	4,761	3,436
Stock-based compensation	10,801	14,833	25,429	58,184
Other expenses <sup>(6)</sup>	706	4,238	5,531	6,338
Adjusted EBITDA	\$ 18,774	\$ 15,650	\$ 54,950	\$ 46,587

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

<sup>(6)</sup> Other expenses include employer taxes on equity vesting/exercises, legal, severance and certain non-recurring costs. Employer taxes on equity vesting/exercises of \$0.3 million and \$2.2 million were recorded for the three months ended September 30, 2023 and 2022, respectively. Employer taxes on equity vesting/exercises of \$1.5 million and \$2.8 million were recorded for the nine months ended September 30, 2023 and 2022, respectively.

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

(unaudited; \$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 5,643	\$ 1,624	\$ 20,241	\$ (26,361)
Stock-based compensation	10,801	14,833	25,429	58,184
Intangible amortization expense	1,434	842	3,883	2,509
Provision for (benefit from) income tax	2,488	(4,845)	6,049	6,931
Other expenses <sup>(6)</sup>	706	4,238	5,531	6,338
Adjusted net income attributable to Privia Health Group, Inc.	<u>\$ 21,072</u>	<u>\$ 16,692</u>	<u>\$ 61,133</u>	<u>\$ 47,601</u>
Adjusted net income per share attributable to Privia Health Group, Inc. stockholders – basic	<u>\$ 0.18</u>	<u>\$ 0.15</u>	<u>\$ 0.53</u>	<u>\$ 0.43</u>
Adjusted net income per share attributable to Privia Health Group, Inc. stockholders – diluted	<u>\$ 0.17</u>	<u>\$ 0.13</u>	<u>\$ 0.49</u>	<u>\$ 0.39</u>
Weighted average common shares outstanding – basic	<u>117,602,059</u>	<u>111,592,834</u>	<u>116,266,938</u>	<u>109,458,855</u>
Weighted average common shares outstanding – diluted	<u>124,924,442</u>	<u>124,845,602</u>	<u>124,646,849</u>	<u>122,741,319</u>

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

<sup>(6)</sup> Other expenses include employer taxes on equity vesting/exercises, legal, severance and certain non-recurring costs. Employer taxes on equity vesting/exercises of \$0.3 million and \$2.2 million were recorded for the three months ended September 30, 2023 and 2022, respectively. Employer taxes on equity vesting/exercises of \$1.5 million and \$2.8 million was recorded for the nine months ended September 30, 2023 and 2022, respectively.



**Thank You**

**PriviaHealth.com**

**Contact:**

Robert P. Borchert  
SVP, Investor & Corporate Communications  
robert.borchert@priviahealth.com  
Phone: 817.783.4841

