

Capital Cost Comments...

Value Based Care stocks increased on average 4.0% from November 2nd through November 9th, while decreasing 28.2% since the firms went public. The broader market, measured by the S&P 500, was higher by 1.2% for the week, and is higher by 24.7% for the year. The Value Based Care market capitalization decreased by 1.3% for the week.

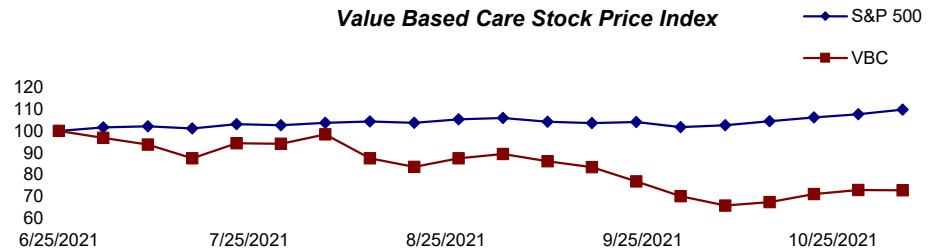
Individual stock price performance among the companies in our universe improved with three out of five plans gaining ground. Privia led the universe higher gaining by 20.6%, followed by Cano with a gain of 13.8%. One Medical increased by 4.3%. Oak Street fell by 18.5%. agilon was flat on the week.

Valuation indicators weakened with Price per Total Member or Member Equivalent falling by 12.7% to \$24,194. Price per Risk Member decreased by 17.5% to \$47,306. Price-to-Sales fell by 4.7% to 4.60 times. Price to Net Worth was lower by 10.4% to 15.05. Please see the Financial Tables on Pages A – D for more data.

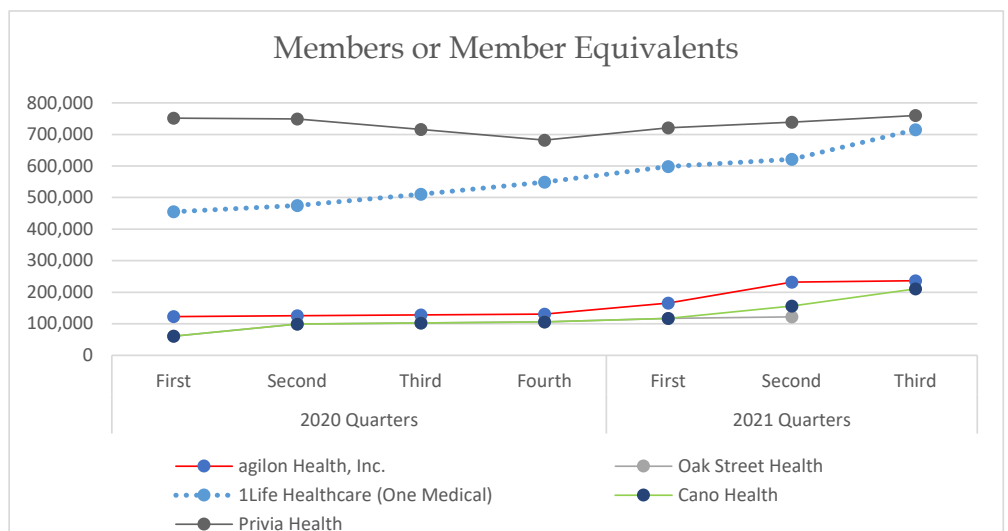
Value Based Care stock prices moved higher as valuation metrics fell. Valuation metrics skew toward larger market capitalization companies.

The Value Based Care beta and discount rate were 1.529 and 11.74%, respectively. *All rates of change are calculated holding the universe of firms constant.*

Value Based Care Dashboard			
Capital Cost Indicators	VBC	Operational Metrics	
Equity Capital Costs		Growth (Year-Over-Year)	
Price-to-Sales	4.60	Patient Growth	18.5%
Price per Risk Member	\$47,306	Cap. Member Growth	668.5%
Price / Tot.Member or Equivalent	\$24,194	Center Growth	65.1%
Price-to-Operating Earnings	(36.6)		
Price / EBITDA LTM	27.8		
Price / Earnings	(5.0)	VBC Beta	1.529
Price / 2021 Earnings	(265.2)	VBC Discount Rate	11.74%



Operational Metrics			
Growth			
Revenue Growth (Year-Over-Year)			68.4%
Capitation Price Change (Year-Over-Year)			11.6%
Profit Margin			
	Quarterly	Latest Year	LTM
Operating Margin	-12.0%	-8.3%	-8.1%
Medical Expense / Revenue	91.7%	83.1%	71.0%
Administrative Exp. to Revenue	15.5%	14.6%	13.3%
Return on Equity - Last Twelve Months			-112.7%
Leverage and Solvency Quarterly			
Debt to Capital		5.1%	
Medical Months of Tangible Book Value		1.52	
Days of Claims Payable		74.7	
Accounts Receivable Days		49.1	



Upcoming Events and Filings

agilon, Inc.

10-28-2021 – 10-Q – Third Quarter 2021 Results

9-13-2021 – 424B4 – 17 Million Share Secondary Offering

Oak Street Health

11-8-2021 – News Release – Oak Street Health Reports Third Quarter 2021 Results

10-21-2021 – 8-K - Oak Street Health, Inc. announced that it had acquired RubiconMD Holdings, Inc.

9-7-2021 – 8-K – SVP of Retail Strategy Carl Daley Retirement

1Life Healthcare (One Medical)

11-3-2021 – News Release – Third Quarter 2021 Results

9-1-2021 – 8-K – Completion of Acquisition of Iora Health

Cano Health

11-10-2021 – 10-Q – Third Quarter 2021 Results

9-21-2021 – 8-K – Debt offering of \$300 million aggregate principal amount of its senior notes due 2028

Privia

11-8-2021 – 10-Q – Third Quarter 2021 Results



P • U • L • S • E
Value Based Care

Company Specific Comments

All comparisons are between third quarter 2021 and 2020.

Privia reported a loss of 0.09 per share unadjusted and a gain of \$0.12 per share adjusted by Sherlock Company. Total membership increased by 17.7% to 760,000 members. Total practice collections gained by 18.1% to \$402 million. Implemented providers grew by 15.2% to 2,826. As a share of total revenue Value Based Care arrangements increased. Care Management and Shared Savings increased to 13.8% from 11.1% as a percent of total revenue.

In Privia's conference call, Shawn Morris announced the launching of Privia Care Partners with 25,000 attributed lives to go live on January 1, 2022. It is "exclusively a value-based care option for providers who will be supported by our integrated technology solution and clinical operation capabilities as they transition to at-risk arrangements."

Company Focus

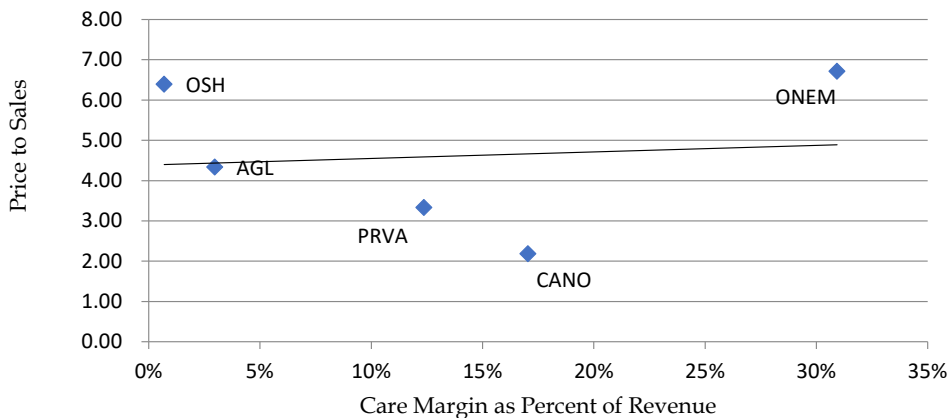
One Medical - Operates two business lines that are on a technology-powered platform.

The first is a non-risk bearing primary care business. The company receives a fee for membership, and patients receive medical care at one of One Medical's 177 centers. These members are not risk based and they total 683,000 members.

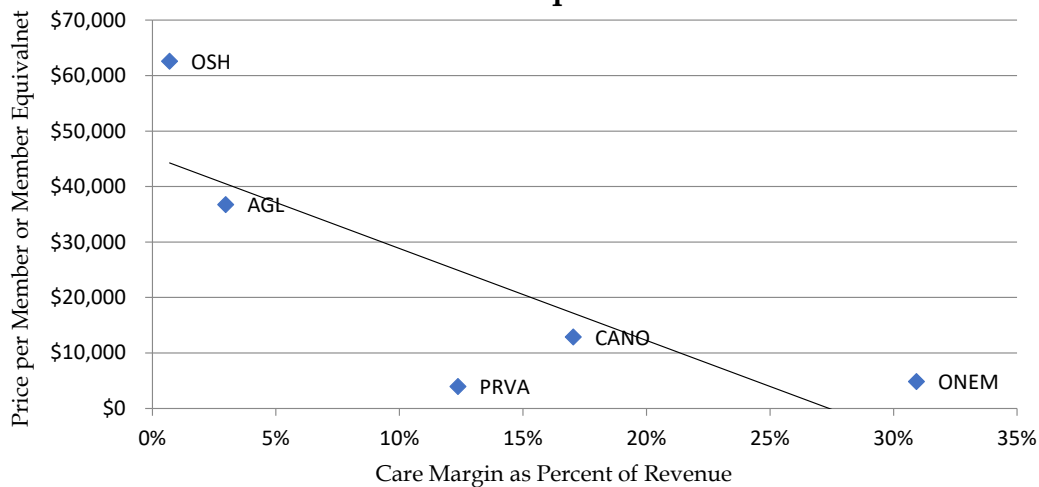
The second line is a risk based primary care Medicare business that was recently acquired on September 1st, 2021. The total membership is 32,000 risk members. Members see a doctor at one of the One Medical Centers. One Medical receives Capitated Medicare revenue for each member that selects One Medical as their primary care provider.

Note : Privia Health Group has relationships with payers yielding revenues that are low per member relative to other firms.

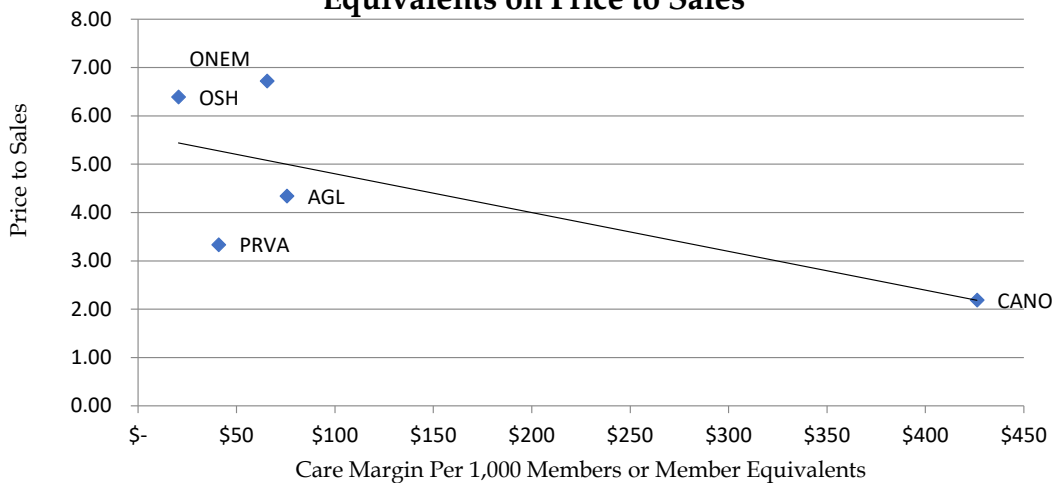
Effect of Care Margin on Price to Sales



Effect of Care Margin to Revenue on Price per Member or Member Equivalent



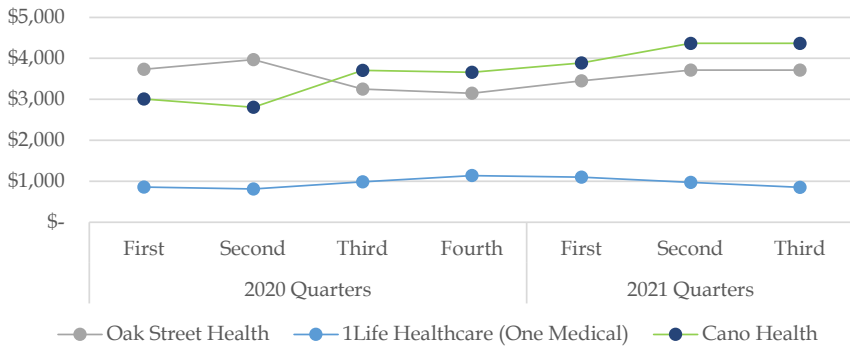
Effect of Care Margin per 1,000 Members or Member Equivalents on Price to Sales





Operating Trends

Revenue per Center

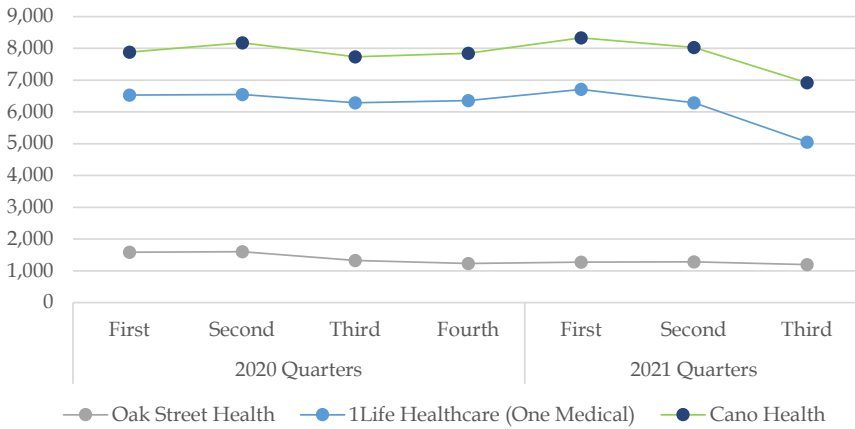


In the event that Sherlock Company, in its financial advisory business becomes so close to a company covered by Sherlock Company's research that it has access to material inside information, Sherlock Company will temporarily cease coverage of the public company. No comments, written or oral, will be made about the company in question until after the material in question is either disseminated or no longer material.

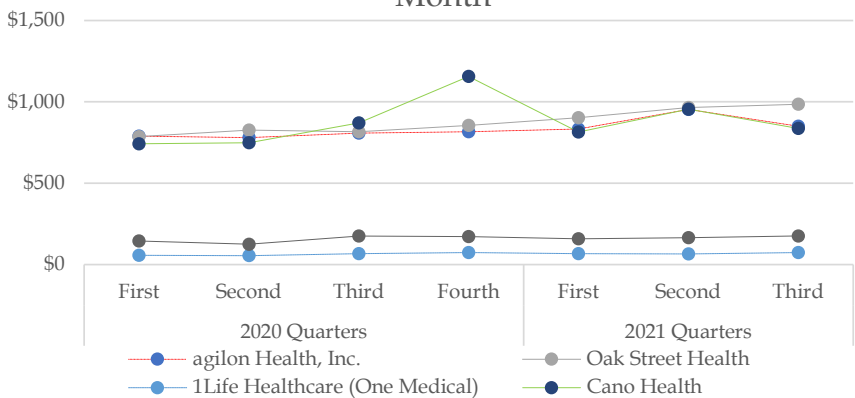
Although the information in this report has been obtained from sources which Sherlock Company believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. All opinions in this report constitute our judgment as of this date and are subject to change without notice. This report is intended for information purposes only and is not intended as investment advice. Sherlock Company is a Pennsylvania Corporation.

From time to time, Sherlock Company may provide performance benchmarking services to firms mentioned in PULSE - Value Based Care. PULSE - Value Based Care analyses are based exclusively on publicly available information and not on confidential information through our benchmarking services.

Member or Member Equivalent per Center



Revenue per Member or Member Equivalent/ Month



Andrew Sherlock
asherlock@sherlockco.com
(215) 628-2289

John Park, CFA
jpark@sherlockco.com

Douglas Sherlock, CFA
sherlock@sherlockco.com

P • U • L • S • E • Value Based CareMarket Statistics
(000, Except Ratios)

	Ticker	Year End Data	Interim Data (Int.)	Stock Price 11/9/21	Shares Out-standing (Int.)	Current Market Cap.	Valuation Ratios (a)								
							Price / Earnings Multiples (P/E)			Price to Op. Income LTM	Price to EBITDA LTM	Price to Sales LTM	Price Per Capitation	Price to Net Worth	Price to Tang. Book
							Latest Year	Last 12 Mo.	Est. 2021						
agilon Health, Inc.	AGL	12/31/20	9/30/21	\$24.72	391,229	\$9,671,181	(126.5)	(75.9)	(24.5)	(74.0)	(84.5)	4.34	\$36,726	8.58	9.4
(i)															
Oak Street Health	OSH	12/31/20	9/30/21	\$37.14	223,436	\$8,298,402	(43.2)	(25.0)	(20.5)	(25.6)	(26.9)	6.39	\$81,879	54.20	60.5
One Medical	ONEM	12/31/20	9/30/21	\$22.32	153,700	\$3,430,584	(29.8)	(28.7)	(23.7)	(39.7)	(62.9)	6.72	NA	1.92	148.4
Cano Health	CANO	12/31/20	9/30/21	\$12.40	170,871	\$2,118,806	(79.2)	(18.5)	(1,240.0)	(131.2)	229.9	2.19	\$12,861	2.47	(4.3)
Privia Health	PRVA	12/31/20	9/30/21	\$30.85	105,897	\$3,266,911	94.7	123.1	(17.1)	87.7	83.3	3.33	NA	8.07	11.9
Average or Total Value Based Care		5				\$26,785,883	(36.8)	(5.0)	(265.2)	(36.6)	27.8	4.60	\$43,822	15.05	57.6
													(b)		

- Notes:**
- (a) Price Includes long-term debt and excludes working capital, except Price/Earnings, Price to Tangible Book and Price to Net Worth
 - (b) Averages excludes unavailable and outlying data.
 - (c) Excludes restructuring costs, non-recurring items and/or results from discontinued operations.
 - (d) Includes all non-current liabilities except deferred income tax liabilities.
 - (e) Pro forma.
 - (f) Previous quarter data.
 - (g) Annualized Data
 - (h) Sherlock Company Estimates
 - (i) Includes Direct Contracting



P • U • L • S • E • Value Based CareFinancial Statistics
(000, Except Ratios)

	Revenue Trends					Price Trends				Patient and Member Trends					
	Annual Trends		Quarterly Trends			PMPM		Fees		Members (000's) Capitated		Patients FFS		Members or Equivalents	
	Latest Year	Pct. Chg.	Last 12 Months	Interim Quarter	Percent Change	Interim Quarter	Percent Change	Interim Quarter	Percent Change	Interim Quarter	Percent Change	Interim Quarter	Percent Change	Interim Quarter	Percent Change
						Capitation									
agilon Health, Inc. (i)	\$1,218,333	53.4%	\$2,000,595	\$603,544	93.0%	\$1,091	35.6%	NA	NA	184	42.6%	NA	NA	237	83.2%
Oak Street Health	\$882,765	58.6%	\$1,287,202	\$388,700	78.4%	\$1,249	4.4%	\$129.03	90.2%	101	70.3%	31	3.3%	132	47.8%
One Medical	\$380,223	37.6%	\$514,901	\$151,333	48.9%	NA	NA	\$58.99	-11.1%	NA	NA	683	33.7%	715	39.9%
Cano Health	\$829,418	124.1%	\$1,237,804	\$526,798	100.2%	\$794	-5.2%	NA	NA	211	105.0%	NA	NA	211	105.0%
Privia Health	\$817,075	3.9%	\$904,586	\$251,524	21.4%	NA	NA	NA	NA	NA	NA	NA	NA	760	17.6%
Average or Total Value Based Care	\$4,127,814	55.5%		\$1,921,899	68.4%	\$1,045	11.6%	\$94.01	40.1%	495	72.6%	714	18.5%	2,054	65.5%

- Notes:**
- (a) Price Includes long-term debt and excludes working capital, except Price/Earnings, Price to Tangible Book and Price to Net Worth
 - (b) Averages excludes unavailable and outlying data.
 - (c) Excludes restructuring costs, non-recurring items and/or results from discontinued operations.
 - (d) Includes all non-current liabilities except deferred income tax liabilities.
 - (e) Pro forma.
 - (f) Previous quarter data.
 - (g) Annualized Data
 - (h) Sherlock Company Estimates
 - (i) Includes Direct Contracting



P • U • L • S • E • Value Based CareFinancial Statistics
(000, Except Ratios)**Earnings Trends**

	Net Income			Operating Income				Op. Margin		Earnings per Share				
	Prev. Year	Latest Year	Pct. Chg.	Last 12 Months	Comp. Quarter	Interim Quarter	Pct. Chg.	Last 12 Months	Comp. Qtr.	Int. Qtr.	Prev. Year	Latest Year	Last 12 Mo.	Est. 2021
agilon Health, Inc.	-\$114,455	-\$63,208	NM	-\$118,799	-\$9,844	-\$35,601	NM	-\$117,355	-3.1%	-5.9%	(\$0.39)	(\$0.20)	(\$0.33)	(\$1.01)
(i)	(c)	(c)		(c)	(c)	(c)		(c)						
Oak Street Health	-\$107,862	-\$187,990	NM	-\$329,092	-\$55,349	-\$109,300	NM	-\$320,831	-25.4%	-28.1%	NA	(\$0.86)	(\$1.49)	(\$1.81)
	(c)	(c)		(c)	(c)	(c)		(c)						
One Medical	-\$54,836	-\$90,125	NM	-\$106,014	-\$2,187	-\$44,156	NM	-\$87,202	-2.2%	-29.2%	(\$2.84)	(\$0.75)	(\$0.78)	(\$0.94)
	(c)	(c)		(c)	(c)	(c)		(c)						
Cano Health	-\$10,525	-\$74,072	NM	-\$111,694	\$6,700	-\$9,635	NM	-\$20,646	2.5%	-1.8%	NA	(\$0.16)	(\$0.67)	(\$0.01)
	(c)	(c)		(c)	(c)	(c)		(c)						
Privia Health	\$8,244	\$31,245	279.0%	\$25,454	\$8,543	12,991	52.1%	\$34,390	4.1%	5.2%	\$0.09	\$0.33	\$0.25	(\$1.80)
	(c)	(c)		(c)	(c)	(c)		(c)						
Average or			NM			-\$185,701	52.1%		-4.8%	-12.0%				
Total Value Based Care			(b)				(b)							

- Notes:**
- (a) Price Includes long-term debt and excludes working capital, except Price/Earnings, Price to Tangible Book and Price to Net Worth
 - (b) Averages excludes unavailable and outlying data.
 - (c) Excludes restructuring costs, non-recurring items and/or results from discontinued operations.
 - (d) Includes all non-current liabilities except deferred income tax liabilities.
 - (e) Pro forma.
 - (f) Previous quarter data.
 - (g) Annualized Data
 - (h) Sherlock Company Estimates
 - (i) Includes Direct Contracting

P • U • L • S • E • Value Based CareOperating Statistics
(000, Except Ratios)

	Operating Ratios			Balance Sheet Data and Ratios (Interim)												
	Med. Exp / Rev		Admin to Revenue Int. Qtr	Long Term Debt(d)	Debt to Capital Ratio	Net Worth	ROE, Last 12 Mo.	Intangi- bles	Tangible Book Value	Net Worth Per Share	Tang. Book Per Share	Med Exp Mos. of Tang. B.V.	Working Capital	Days of Claims Payable		
	Int. Qtr.	Pct. Chg.												Comp.	Int.	Chg.
agilion Health, Inc.	97.0%	5.2%	8.4%	\$44,628	0.5%	\$1,127,439	-10.5%	\$99,687	\$1,027,752	\$2.88	\$2.63	5.26	\$1,030,085	NA	44.9	NA
(i)																
Oak Street Health	99.3%	8.5%	28.8%	\$900,300	9.8%	\$153,100	-215.0%	\$16,000	\$137,100	\$0.69	\$0.61	1.07	\$969,900	118.7	104.6	(14.1)
One Medical	69.1%	11.3%	75.3%	\$571,196	14.3%	\$1,787,682	-5.9%	\$1,764,568	\$23,114	\$11.63	\$0.15	0.88	\$542,111	14.3	17.8	3.6
Cano Health	83.0%	0.9%	14.4%	\$916,111	30.2%	\$858,013	-13.0%	\$1,349,776	(\$491,763)	\$5.02	(\$2.88)	(3.38)	\$325,548	NA	16.0	NA
Privia Health	87.6%	-2.0%	7.2%	\$31,664	1.0%	\$404,995	6.3%	\$129,538	\$275,457	\$3.82	\$2.60	3.75	\$282,182	NA	60.0	NA
Average or Total Value Based Care	87.2%	4.8%	14.7%		5.1%		-112.7%					1.52		59.3	74.7	15.4

- Notes:**
- (a) Price Includes long-term debt and excludes working capital, except Price/Earnings, Price to Tangible Book and Price to Net Worth
 - (b) Averages excludes unavailable and outlying data.
 - (c) Excludes restructuring costs, non-recurring items and/or results from discontinued operations.
 - (d) Includes all non-current liabilities except deferred income tax liabilities.
 - (e) Pro forma.
 - (f) Previous quarter data.
 - (g) Annualized Data
 - (h) Sherlock Company Estimates
 - (i) Includes Direct Contracting

In the event that Sherlock Company, in its financial advisory business becomes so close to a company covered by Sherlock Company's research that it has access to material inside information, Sherlock Company will temporarily cease coverage of the public company. No comments, written or oral, will be made about the company in question until after the material in question is either disseminated or no longer material.

Although the information in this report has been obtained from sources which Sherlock Company believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. All opinions in this report constitute our judgment as of this date and are subject to change without notice. This report is intended for information purposes only and is not intended as investment advice. Sherlock Company is a Pennsylvania Corporation.

From time to time, Sherlock Company provides performance benchmarking services to firms mentioned in PULSE. PULSE analyses are based exclusively on publicly available information and not on confidential information through our benchmarking services.

