

Capital Cost Comments...

Value Based Care stocks increased on average 4.1% from November 5th through November 12th, while decreasing 28.1% since the firms went public. The broader market, measured by the S&P 500, was lower by 0.3% for the week, and is higher by 24.7% for the year. The Value Based Care market capitalization decreased by 2.0% for the week.

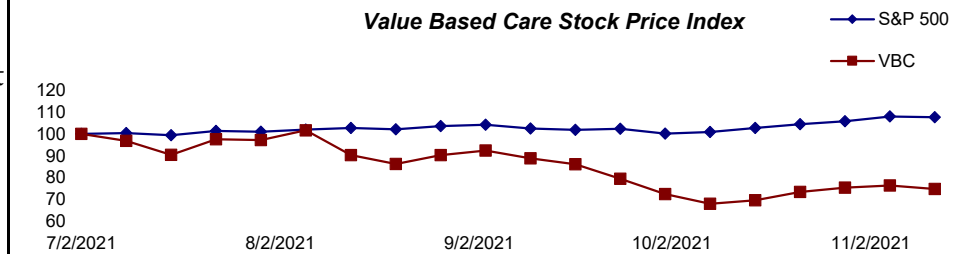
Individual stock price performance among the companies in our universe improved with three out of five plans gaining ground. Privia led the universe higher gaining by 27.0%, followed by Cano with a increase of 7.6%. agilon moved higher by 3.2%. Oak Street fell by 15.5% and One Medical was lower by 1.8%.

Valuation indicators weakened with Price per Total Member or Member Equivalent falling by 10.2% to \$24,806. Price per Risk Member decreased by 14.3% to \$48,708. Price-to-Sales declined by 10.5% to 4.62 times. Price to Net Worth was lower by 0.9% to 15.54. Please see the Financial Tables on Pages A - D for more data.

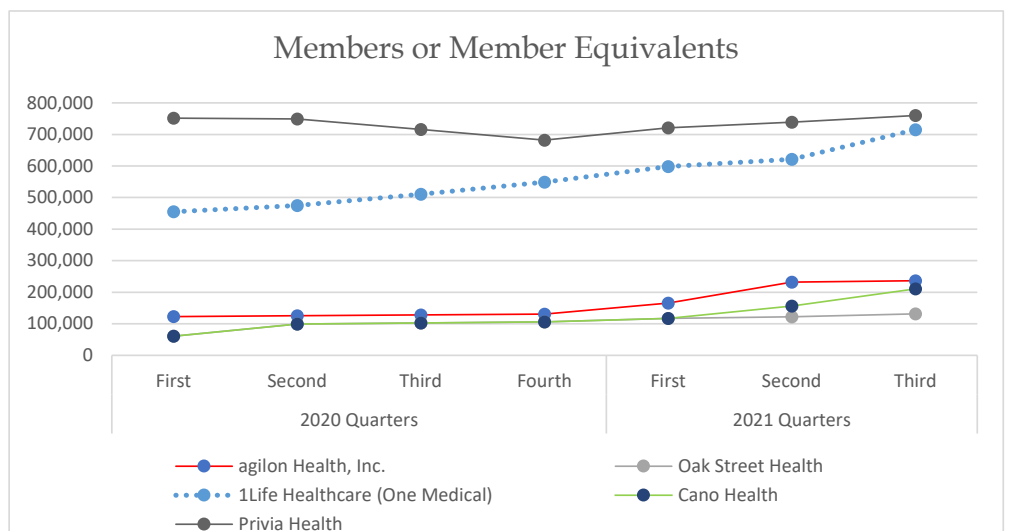
Value Based Care stock prices were mixed while valuation indicators fell due to Oak Street Health earnings news.

The Value Based Care beta and discount rate were 1.470 and 11.53%, 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	4.62	Patient Growth	18.5%
Price per Risk Member	\$48,708	Cap. Member Growth	668.5%
Price / Tot.Member or Equivalent	\$24,806	Center Growth	65.1%
Price-to-Operating Earnings	(34.7)		
Price / EBITDA LTM	26.7		
Price / Earnings	(3.8)	VBC Beta	1.470
Price / 2021 Earnings	(252.0)	VBC Discount Rate	11.53%



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		5.0%	
Medical Months of Tangible Book Value		1.52	
Days of Claims Payable		74.7	
Accounts Receivable Days		49.1	





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

Company Specific Comments

All comparisons are between third quarter 2021 and 2020.

Oak Street Health reported third quarter 2021 earnings on November 8th. Membership was higher by 47.8% to 131,500 members. The primary driver was capitated patients which grew by 70.3% to 100,500. Revenue increased by 77.8% to \$377 million. Medical expenses were higher by 95.2% to \$386 million. Operating income was negative \$109 million compared with negative \$55 million in the comparable quarter.

In their 10-Q, Oak Street Health stated that “on November 1, 2021 the Company received a civil investigative demand (“CID”) from the United States Department of Justice.” The CID is related to transportation of federal health beneficiaries. “Regardless of the outcome, this inquiry has the potential to have an adverse impact on us due to any related defense and settlement costs, diversion of management resources, and other factors.”

Company Focus

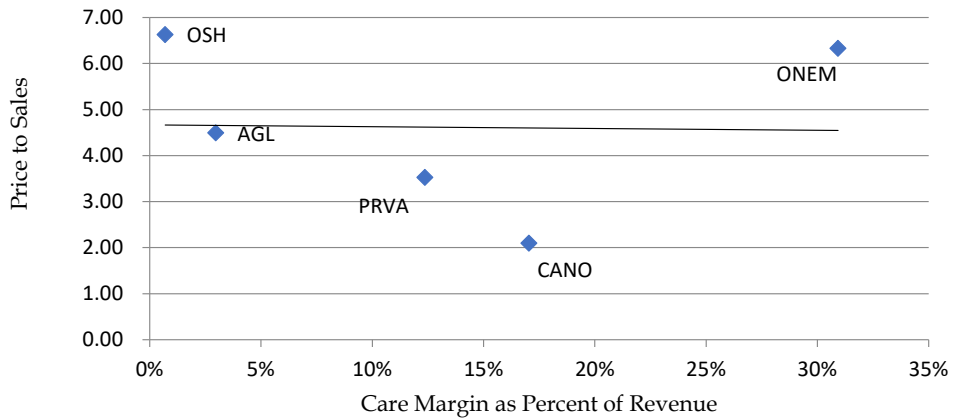
One Medical - Operates two business lines that are on a technology-powered platform.

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.

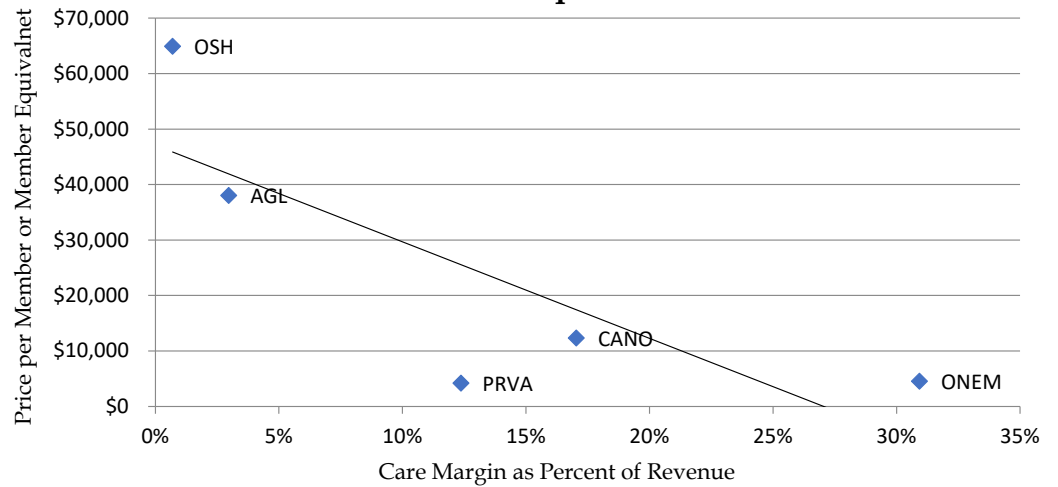
The second line is a risk based primary care Medicare business that was recently acquired on September 1st, 2021. The total membership is 32,000 risk members. Members see a doctor at one of the One Medical Centers. One Medical receives Capitated Medicare revenue for each member that selects One Medical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



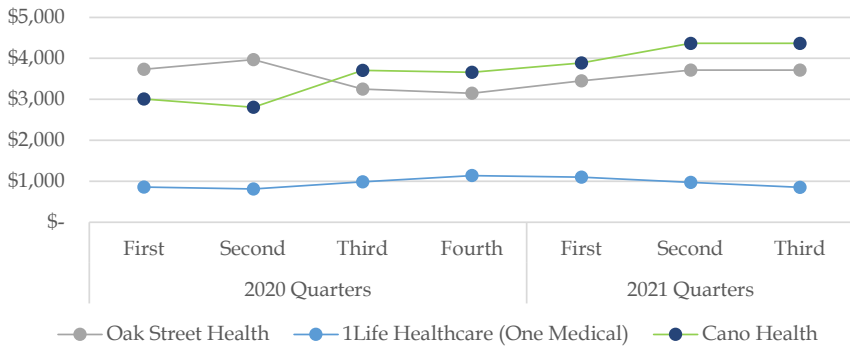
Effect of Care Margin per 1,000 Members or Member Equivalents on Price to Sales





Operating Trends

Revenue per Center

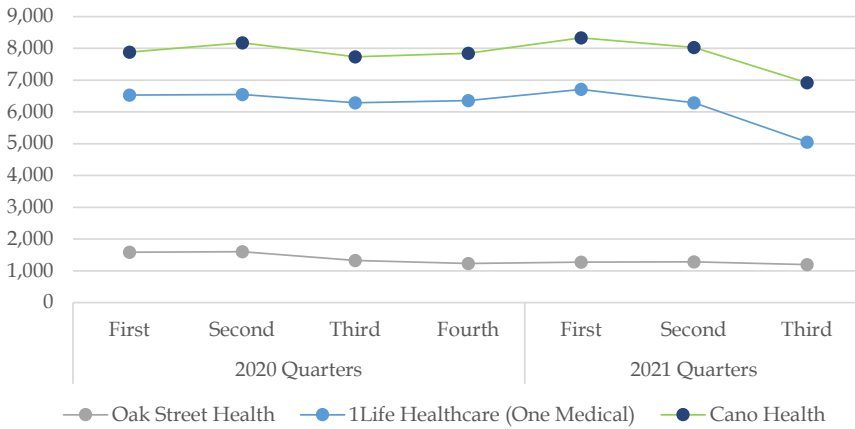


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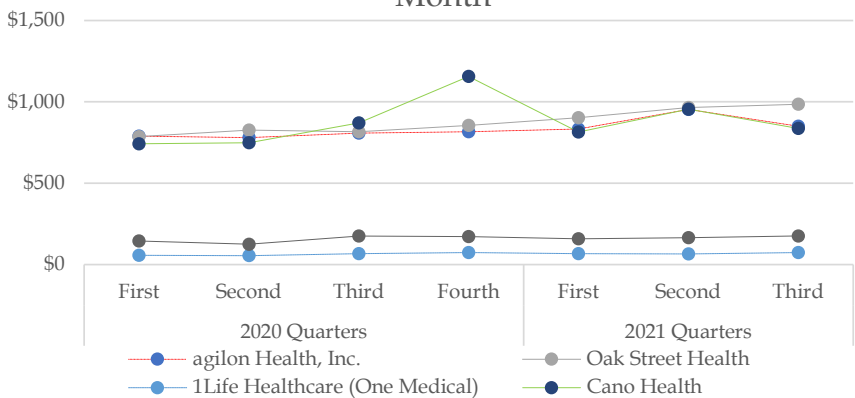
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From time to time, Sherlock Company may provide performance benchmarking services to firms mentioned in PULSE - Value Based Care. PULSE - Value Based Care analyses are based exclusively on publicly available information and not on confidential information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

Member or Member Equivalent per Center



Revenue per Member or Member Equivalent/ Month



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Market Statistics

(000, Except Ratios)

	Ticker	Year End Data	Interim Data (Int.)	Stock Price 11/12/21	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	\$25.51	391,229	\$9,980,252	(130.5)	(78.3)	(25.3)	(76.6)	(87.5)	4.50	\$38,033	8.85	9.7
(i)															
Oak Street Health	OSH	12/31/20	9/30/21	\$38.52	223,436	\$8,606,743	(44.8)	(25.9)	(21.3)	(26.6)	(27.9)	6.63	\$84,947	56.22	62.8
One Medical	ONEM	12/31/20	9/30/21	\$21.03	153,700	\$3,232,311	(28.1)	(27.0)	(22.4)	(37.4)	(59.3)	6.33	NA	1.81	139.8
Cano Health	CANO	12/31/20	9/30/21	\$11.73	170,871	\$2,004,322	(74.9)	(17.5)	(1,173.0)	(125.7)	220.2	2.10	\$12,318	2.34	(4.1)
Privia Health	PRVA	12/31/20	9/30/21	\$32.49	105,897	\$3,440,581	99.8	129.6	(18.1)	92.8	88.1	3.53	NA	8.50	12.5
Average or Total Value Based Care		5				\$27,264,209	(35.7)	(3.8)	(252.0)	(34.7)	26.7	4.62	\$45,099	15.54	56.2
													(b)		

- Notes:**
- (a) Price Includes long-term debt and excludes working capital, except Price/Earnings, Price to Tangible Book and Price to Net Worth
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 - (e) Pro forma.
 - (f) Previous quarter data.
 - (g) Annualized Data
 - (h) Sherlock Company Estimates
 - (i) Includes Direct Contracting



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(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%

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(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)							

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(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	0.4%	\$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	9.5%	\$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	15.0%	\$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	31.4%	\$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	0.9%	\$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%		5.0%		-112.7%					1.52		59.3	74.7	15.4

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