

*Capital Cost Comments...*

Value Based Care stocks increased on average 0.2% from October 26th through November 2nd, while decreasing 29.1% 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 23.3% for the year. The Value Based Care market capitalization increased by 1.4% for the week.

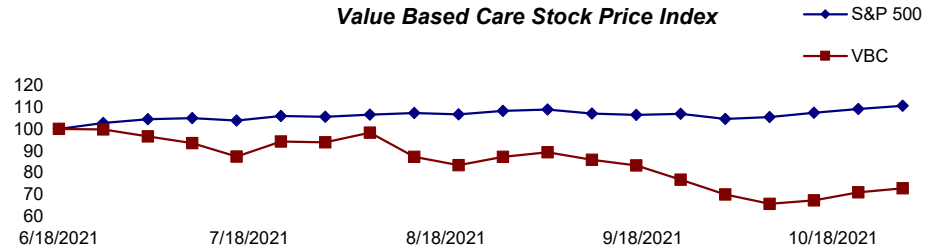
Individual stock price performance among the companies in our universe declined with three out of five companies losing gaining ground. Cano led the universe lower decreasing by 5.5%, followed by One Medical at 3.5% and Oak Street at 1.5%. Privia had gains of 6.1% and agilon increased by 5.2%.

Valuation indicators were mixed with Price per Total Member or Member Equivalent gaining by 2.6% to \$27,718. Price per Risk Member improved by 2.7% to \$57,357. Price-to-Sales fell by 1.9% to 4.82 times. Please see the Financial Tables on Pages A - D for more data.

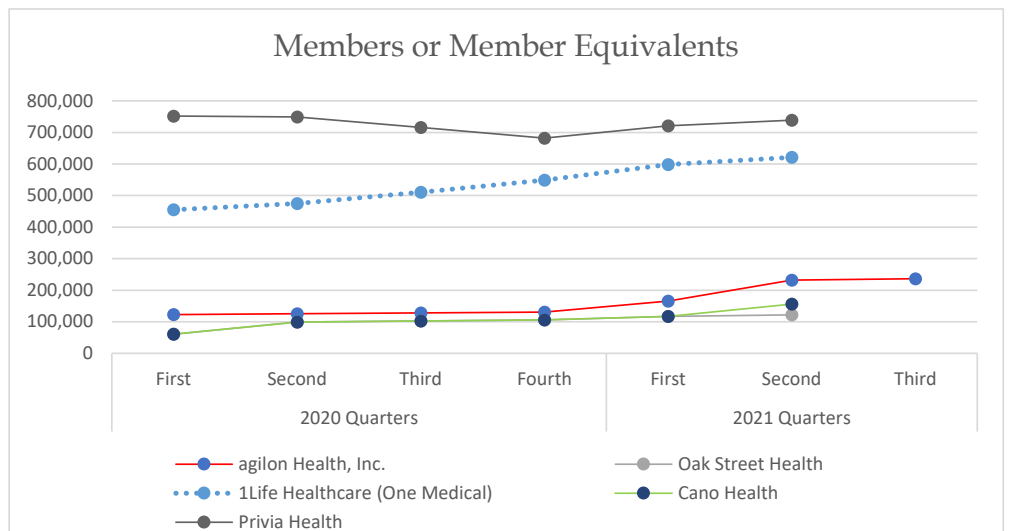
Value Based Care stock prices and valuation metrics were mixed reflecting agilon third quarter earnings.

The Value Based Care beta and discount rate were 1.530 and 11.89%, respectively. All rates of change are calculated holding the universe of firms constant.

Value Based Care Dashboard		Operational Metrics	
Capital Cost Indicators	VBC		
<b>Equity Capital Costs</b>		<b>Growth (Year-Over-Year)</b>	
Price-to-Sales	4.82	Patient Growth	24.0%
Price per Risk Member	\$57,357	Cap. Member Growth	526.2%
Price / Tot.Member or Equivalent	\$27,718	Center Growth	50.9%
Price-to-Operating Earnings	(104.8)		
Price / EBITDA LTM	5.3		
Price / Earnings	(16.8)	VBC Beta	1.530
Price / 2021 Earnings	(235.3)	VBC Discount Rate	11.89%



Operational Metrics			
<b>Growth</b>			
Revenue Growth (Year-Over-Year)			73.0%
Capitation Price Change (Year-Over-Year)			19.2%
<b>Profit Margin</b>			
	Quarterly	Latest Year	LTM
Operating Margin	-13.7%	-8.3%	-9.9%
Medical Expense / Revenue	92.7%	83.1%	90.7%
Administrative Exp. to Revenue	14.5%	14.4%	14.1%
<b>Return on Equity - Last Twelve Months</b>			-68.2%
<b>Leverage and Solvency Quarterly</b>			
Debt to Capital			4.3%
Medical Months of Tangible Book Value			5.62
Days of Claims Payable			69.2
Accounts Receivable Days			56.6



## Upcoming Events and Filings

### **agilon, Inc.**

10-28-2021 – 10-Q – Third Quarter 2021 results released on Thursday, October 28th, 2021 after the market closed

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

### **Oak Street Health**

10-25-2021 – News Release – Third Quarter 2021 results released on Monday, November 8th, 2021 after the market closes

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

8-9-2021 – 10-Q – Quarterly Report for Period Ending June 30

### **1Life Healthcare (One Medical)**

10-14-2021 – News Release – Third Quarter 2021 results released on Wednesday, November 3rd, 2021 after the market closes

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

8-4-2021 – 10-Q – Quarterly Report for Period Ending June 30

### **Cano Health**

10-19-2021 – News Release – Cano Health to announce Third Quarter 2021 results and host investor conference call Tuesday, November 9th 2021, at 8:30 AM EST

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

8-16-2021 – 10-Q – Quarterly Report for Period Ending June 30

8-12-2021 – Q2 2021 - Presentation

### **Privia**

10-7-2021 – News Release – Third Quarter 2021 results released on Monday, November 8th, 2021 before the market opens

8-9-2021 - 10-Q – Quarterly Report for Period Ending June 30



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Value Based Care

### *Company Specific Comments*

All comparisons are between third quarter 2021 and 2020 and include consolidation of Direct Contracting.

agilon reported third quarter earnings on October 28th of a loss of \$0.09 per share. Total revenue increased by 93.0% to \$604 million. Membership gained by 83.0% or 107 thousand members to 237 thousand members. Total operating income declined by \$25.8 million to a loss of \$35.6 million. Care Margin (Network Contribution) was \$17.9 million compared to \$25.4 million in the same quarter of 2020. Administrative expense ratio declined to 8.4% from 11.3%. Medical expense ratio increased to 97.0% from 91.9%.

### *Company Focus*

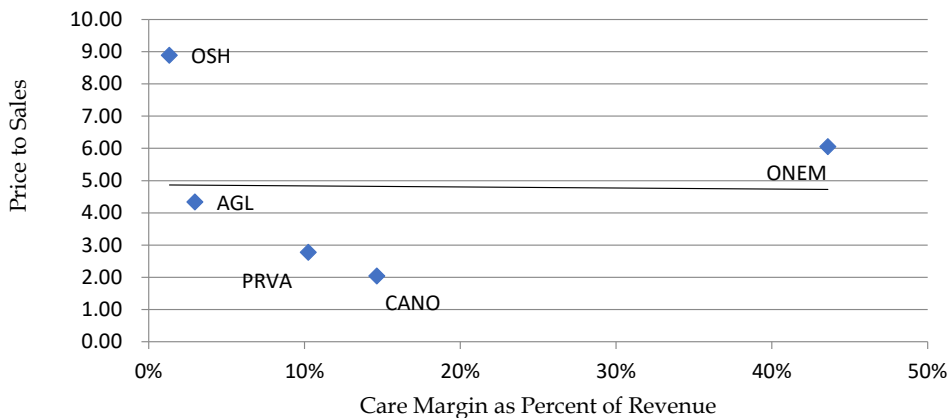
**agilon** - Operates Medicare-centric medical groups. agilon's goal is to improve health outcomes by connecting providers with patients via agilon's capitation arrangements with payers. In this model medical groups are rewarded for positive health outcomes.

agilon has total members or member equivalents of 236,500 as of September 30th, 2021. The total members includes 52,400 attributed beneficiaries via the Direct Contracting Model with CMS. DCEs manage original Medicare beneficiaries and agilon receives a capitation from CMS.

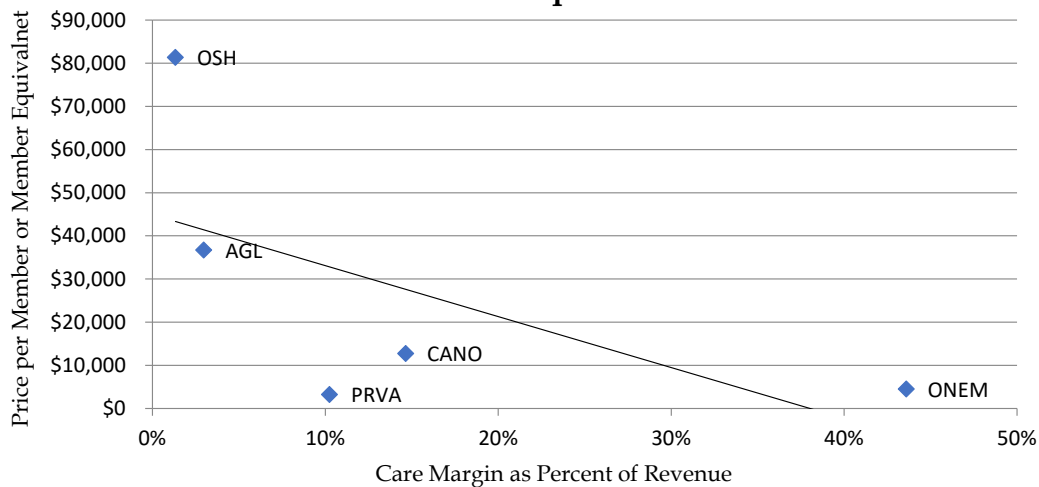
agilon went public on April 15th, 2021 via IPO. Its closing price was \$31.00 per share.

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

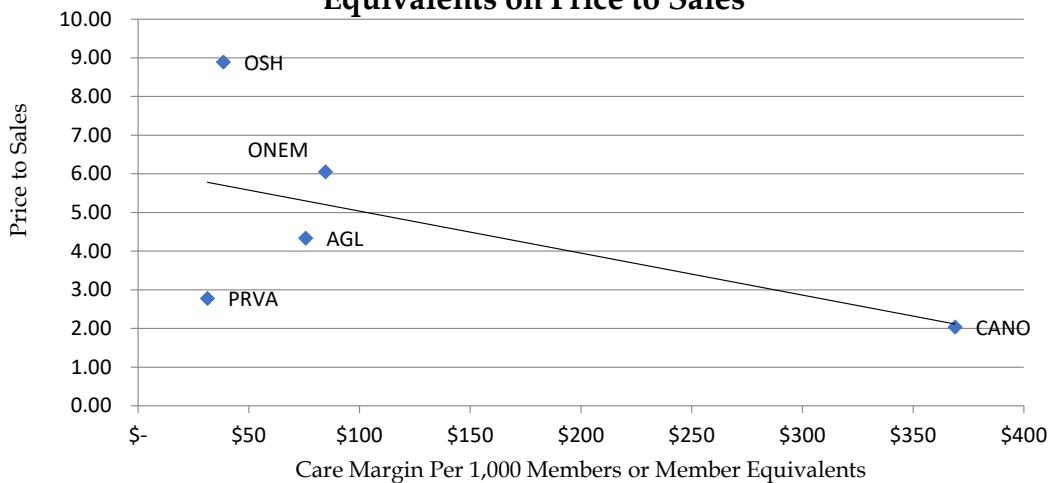
### Effect of Care Margin on Price to Sales



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



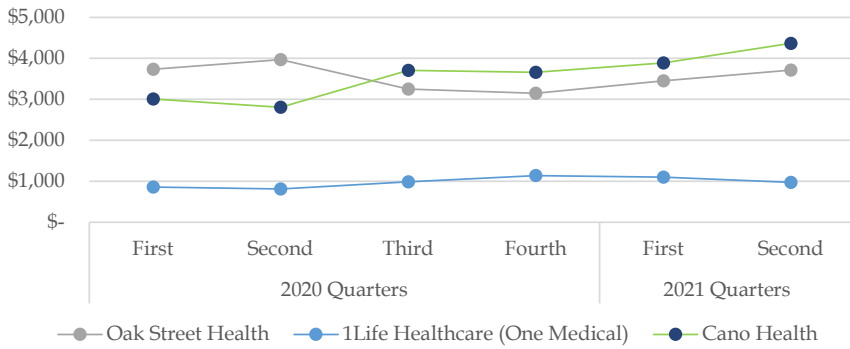
### Effect of Care Margin per 1,000 Members or Member Equivalents on Price to Sales





## Operating Trends

### Revenue per Center

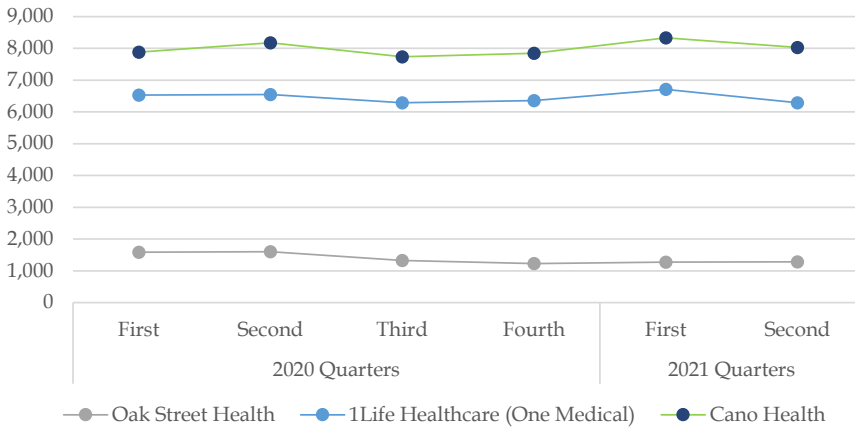


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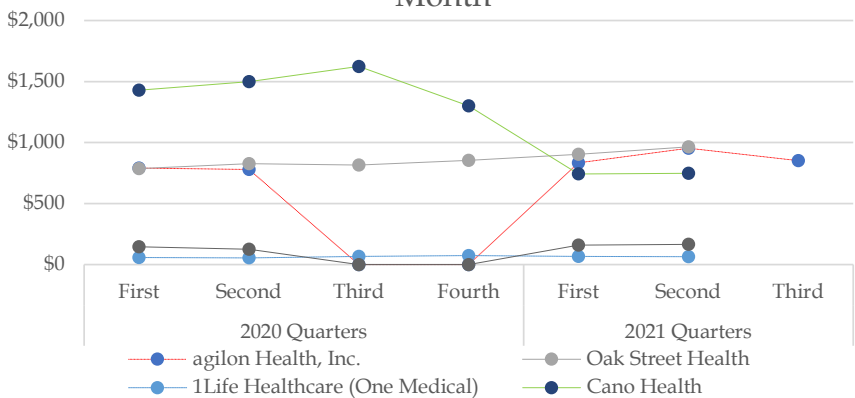
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### Member or Member Equivalent per Center



### 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

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Market Statistics

(000, Except Ratios)

	Ticker	Year End Data	Interim Data (Int.)	Stock Price 11/2/21	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	\$24.71	391,229	\$9,667,269	(126.5)	(75.9)	(24.5)	(74.0)	(84.5)	4.34	\$36,710	8.57	9.4
(i)															
Oak Street Health	OSH	12/31/20	6/30/21	\$45.58	221,169	\$10,080,866	(53.1)	(36.1)	(25.2)	(37.2)	(39.1)	8.89	\$112,179	45.66	48.8
One Medical	ONEM	12/31/20	6/30/21	\$21.41	136,788	\$2,928,631	(28.6)	(26.5)	(22.8)	(31.8)	(45.0)	6.06	NA	6.20	6.6
Cano Health	CANO	12/31/20	6/30/21	\$10.90	168,884	\$1,840,839	(69.6)	(22.2)	(1,090.0)	(460.9)	119.9	2.04	\$12,734	2.07	(7.4)
Privia Health	PRVA	12/31/20	6/30/21	\$25.58	102,739	\$2,628,064	78.6	76.6	(14.2)	79.8	75.3	2.78	NA	6.75	10.9
<b>Average or Total Value Based Care</b>		5				\$27,145,669	(39.8)	(16.8)	(235.3)	(104.8)	5.3	4.82	\$53,874	16.79	18.9
													(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.
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  - (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 Care**Financial 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%	\$1,116,398	\$353,100	64.7%	\$1,306	9.2%	\$63.68	-14.6%	89	52.7%	34	17.4%	122	41.0%
One Medical	\$380,223	37.6%	\$465,235	\$120,416	54.4%	NA	NA	\$64.64	18.1%	NA	NA	621	30.7%	621	30.7%
Cano Health	\$829,418	124.1%	\$974,206	\$393,163	129.6%	\$810	13.0%	NA	NA	156	57.2%	NA	NA	156	57.2%
Privia Health	\$817,075	3.9%	\$860,232	\$225,756	23.2%	NA	NA	NA	NA	NA	NA	NA	NA	739	-1.3%
<b>Average or Total Value Based Care</b>	\$4,127,814	55.5%		\$1,695,979	73.0%	\$1,069	19.2%	\$64.16	-0.8%	429	50.8%	655	24.0%	1,875	62.1%

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**P • U • L • S • E • Value Based Care**Financial 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	-\$277,832	-\$24,418	-\$99,300	NM	-\$266,880	-11.4%	-28.1%	NA	(\$0.86)	(\$1.26)	(\$1.81)
	(c)	(c)		(c)	(c)	(c)		(c)						
One Medical	-\$54,836	-\$90,125	NM	-\$105,060	-\$28,713	-\$42,564	NM	-\$88,563	-36.8%	-35.3%	(\$2.84)	(\$0.75)	(\$0.81)	(\$0.94)
	(c)	(c)		(c)	(c)	(c)		(c)						
Cano Health	-\$10,525	-\$74,072	NM	-\$81,811	-\$4,911	-\$13,328	NM	-\$4,311	-2.9%	-3.4%	NA	(\$0.16)	(\$0.49)	(\$0.01)
	(c)	(c)		(c)	(c)	(c)		(c)						
Privia Health	\$8,244	\$31,245	279.0%	\$33,188	\$6,179	9,330	51.0%	\$29,942	3.4%	4.1%	\$0.09	\$0.33	\$0.33	(\$1.80)
	(c)	(c)		(c)	(c)	(c)		(c)						
<b>Average or</b>			NM			-\$181,463	51.0%		-10.2%	-13.7%				
<b>Total Value Based Care</b>			(b)				(b)							

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**P • U • L • S • E • Value Based Care**Operating 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	98.7%	7.7%	29.5%	\$899,200	8.2%	\$220,800	-125.8%	\$14,200	\$206,600	\$1.00	\$0.93	1.78	\$1,052,200	110.4	93.6	(16.8)
One Medical	56.4%	-12.1%	78.9%	\$490,859	14.4%	\$472,444	-22.2%	\$26,866	\$445,578	\$3.45	\$3.26	19.68	\$602,006	NA	16.7	NA
Cano Health	85.4%	6.7%	11.8%	\$525,830	22.2%	\$888,351	-9.2%	\$1,135,812	(\$247,461)	\$5.26	(\$1.47)	(2.21)	\$379,720	NA	12.6	NA
Privia Health	89.8%	-0.7%	6.1%	\$31,893	1.2%	\$389,471	8.5%	\$147,443	\$242,028	\$3.79	\$2.36	3.58	\$269,132	NA	59.0	NA
<b>Average or</b>	85.4%	1.4%	14.0%		4.3%		-68.2%					5.62		NA	69.2	14.1
<b>Total Value Based Car</b>	(b)	(b)	(b)													

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