

# P3 Health Partners had Capitated Revenue of approximately \$1 Billion; Helping Both Patients and Providers (NASDAQ: PIII)

*P3 Health Partners Inc. (“P3”) had Impressive 2022 Year-End Results with Capitated Revenue of approximately \$1 Billion Dollars; PIII*



HENDERSON, NEVADA, UNITED STATES, April 19, 2023 /EINPresswire.com/ -- P3 Health Partners Inc. (“P3”) had

Impressive 2022 Year-End Results with Capitated Revenue of approximately \$1 Billion Dollars; a Healthcare Management Company Focused on Helping Both Patients and Providers ([NASDAQ: PIII](#))



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*Karen Blomquist V.P. Investor Relations for PIII*

Health Management Network of Over 2,800 Affiliated Primary Care Providers Across the USA.

Currently Serving Over 100,000 Patients in 15 Counties Across Five States.

Membership Growth Projected at Roughly a 35% Increase Over Prior Year.

2022 Capitated Revenue of \$1.0 Billion, an Increase of 66% Compared to \$625.0 Million in the Prior Year.

2022 Revenue Growth and Network Contribution

Improvement of 65% vs. 2021.

Adjusted EBITDA (1) Anticipated to be Positive in 2024.

P3 Health Partners Inc. (NASDAQ: PIII) (“P3” or the “Company”) is a leading population health management company committed to transforming healthcare by improving the lives of both patients and providers. Founded and led by physicians, P3 has an expansive network of more

than 2,800 affiliated primary care providers across the country.

P3 local teams of health care professionals manage the care of more than 100,000 patients in 15 counties across five states. P3 supports primary care providers with value-based care coordination and administrative services that improve patient outcomes and lower costs. Through partnerships with these local providers, the P3 care team creates an enhanced patient experience by navigating, coordinating, and integrating the patient's care within the healthcare system.

### P3 Announced Fourth Quarter and Full-Year 2022 Results

On March 31,, 2023 P3 announced its financial results for the fourth-quarter and full-year ended December 31, 2022.

“Results for 2022 are a testament to the strength of the P3 team and its commitment to improving clinical outcomes,” said Dr. Sherif Abdou, P3 co-founder and CEO. “We achieved revenue growth and a network contribution improvement of 65% versus 2021. 2023 is an inflection point for P3, as we shift to a higher percentage of persistent lives than new, reduce operating expenses, and provide a clear path to reach Adjusted EBITDA positive results in early 2024.”

### Fourth-Quarter 2022 Financial Results

Capitated revenue was \$254.0 million, an increase of 40% compared to \$181.4 million in the fourth quarter of the prior year

**P3 Health Partners**  
People. Passion. Purpose.

Who: People with Passion and Purpose  
What: Dedicated to Transforming Healthcare for Patients, Providers, and Payors  
How: Patient-Centric, Physician-Led, and Population Health Management Focused

### \$PIII Team

P3 Health Partners  
Driven by **PEOPLE**  
with **PASSION**  
and **PURPOSE**  
P3HP.org  
P3 Health Partners  
People. Passion. Purpose.  
PIII Nasdaq Listed  
Nasdaq

### \$PIII Nasdaq PIII

#### Strong Markets, Relationships And Growth Trajectory

Select National and Local Payor Relationships

■ Current states  
■ States in pipeline

Humana  
aetna  
CMS  
WellCare  
BlueCross BlueShield of Arizona  
CENTENE Corporation  
ATRIO HEALTH PLANS  
UnitedHealthcare  
Arizona Connected Care

### \$PIII Markets

Net loss was \$532.3 million compared to a net loss of \$118.2 million in the fourth quarter of the prior year, primarily due to a goodwill impairment charge of \$463.5 million in the fourth quarter of 2022

Net loss PMPM was \$1,766, compared to a net loss of \$587.1 in the prior year, due to a goodwill impairment charge of \$463.5 million in the fourth quarter of 2022

**Foresight Acquisition Corp. Is Led By A World Class Management Team With Deep Operational And Investing Expertise**

 <p><b>Greg Wasson</b> Chairman of the Board</p> <p><i>Walgreens</i> <i>WASSON INVESTMENT</i></p>	<ul style="list-style-type: none"><li>Currently serves as President and Founder of his family office, Wasson Enterprise</li><li>Former CEO and President of Walgreens from 2009 to 2014. Served Walgreens for 34 years, creating significant financial and shareholder value by initiating transformative mergers and investments, leading organizational change, assembling diverse leadership and establishing the company's position as an industry leader</li><li>Invested and nurtured a portfolio of investments by adding value through his ability to catalyze relationships for businesses, channel partners, key hires, and strategic investors to build sustainable, high-growth businesses that do well by doing good</li><li>Recognized throughout the drugstore and healthcare industry for transformational leadership, innovation, bold business decisions, and executing on strategic long-term visions</li></ul>	 <p><b>Michael Balkin</b> Chief Executive Officer and Director</p> <p><i>William Blair</i> <i>PHS</i> <i>Bankers Trust</i> <i>FIRST CHICAGO</i> <i>MAGNETAR CAPITAL</i></p>	<ul style="list-style-type: none"><li>Former Partner and Co-Manager of the William Blair Small Institutional portfolio and Small Cap Growth Fund</li><li>Over 30 years of experience working with public companies in the small cap space</li><li>Currently the Chairman of the Board of Performance Health Systems</li><li>Former Partner at Magnetar Capital, LLC, a multi-strategy hedge fund</li><li>Co-founded Cityview Associates, a real estate investment firm</li></ul>
 <p><b>Mark Thierer</b> Advisor</p> <p><i>SXC Health</i> <i>Dentsply Sirona</i> <i>OPTUMRx</i></p>	<ul style="list-style-type: none"><li>Lifelong leader in the healthcare space and known for his ability to transform companies and achieve financial and operational success</li><li>Transformed a small pharmacy benefit management company (PBM) called SXC Health Solutions into one of America's largest and fastest growing players – then facilitated its \$12.8 billion sale to Optum</li><li>Former CEO of OptumRx from 2015 to 2017</li><li>Former CEO and Chairman of Catamaran from 2006 to 2015</li></ul>	 <p><b>Kermil Crawford</b> Advisor</p> <p><i>RITE AID</i> <i>SYCAMORE PARTNERS</i> <i>C.H. ROBINSON</i> <i>TransUnion</i></p>	<ul style="list-style-type: none"><li>As a pharmacy, health and wellness expert who has led transformational change and cost-saving programs in highly competitive consumer-focused businesses</li><li>Previously served as an Operating Partner, Advisor and Consultant for Sycamore Partners, specializing in retail and consumer investments</li><li>Former President and COO of Rite Aid Pharmacy</li></ul>

**\$PIII Acquisition Corp.**

Adjusted EBITDA loss (1) was \$40.1 million compared to an Adjusted EBITDA loss of \$35.6 million in the fourth quarter of the prior year

Adjusted EBITDA PMPM (1) loss was \$133, an improvement of \$44 PMPM compared to the fourth quarter of the prior year

## Full-Year 2022 Financial Results

At-risk Medicare Advantage membership at December 31, 2022 of 100,400, an increase of approximately 50% compared to 67,000 in the prior year (2)

Capitated revenue was \$1.0 billion, an increase of 66% compared to \$625.0 million in the prior year

Operating loss for full-year 2022 was \$1.6 billion compared to \$187.9 million in the prior year (1)

Full-year 2022 medical margin was \$62.1 million, an improvement of 428% compared to the prior year (1)

Full-year network contribution of (\$7.8) million improved by 65% compared to the prior year (1)

Net loss was \$1.6 billion compared to a net loss of \$204.3 million in the prior year, primarily due to a goodwill impairment charge of \$1.3 billion in 2022

Net loss PMPM was \$1,296.1, an increased loss of \$1,041.9 primarily due to a goodwill impairment charge

Adjusted EBITDA loss was \$127.9 million compared to an Adjusted EBITDA loss of \$95.5 million in the prior year (1)

Adjusted EBITDA loss PMPM was \$106, a significant improvement compared to \$119 PMPM in the prior year (1)

"P3 has secured financing of approximately \$90 million and believes this provides a solid path to profitability," said Dr. Sherif Abdou, CEO of P3. "The new financing, along with our expected shift to a higher percentage of persistent lives, a focused reduction in operating expenses, and measured and disciplined growth in 2023 make us confident that we will have the resources necessary to reach Adjusted EBITDA profitability in 2024."

NOTES:

(1) Adjusted EBITDA, Adjusted EBITDA per member, per month ("PMPM"), medical margin and network contribution are non-GAAP financial measures. For reconciliations of these measures to the most directly comparable GAAP measures and more information regarding the Company's use of non-GAAP financial measures, please see the section below titled "Non-GAAP Financial Measures."

(2) See "Key Performance Metrics" for additional information on how the Company defines "at-risk Medicare Advantage members."

#### Non-GAAP Financial Measures

In addition to the financial results prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), this release contains certain non-GAAP financial measures as defined by U.S. Securities and Exchange Commission ("SEC") rules, including Adjusted EBITDA and Adjusted EBITDA PMPM, medical margin and network contribution. EBITDA is defined as GAAP net income (loss) before (i) interest, (ii) income taxes and (iii) depreciation and amortization. Adjusted EBITDA is defined as EBITDA, further Adjusted to exclude the effect of certain expenses, such as (i) mark-to-market warrant gain/loss, (ii) premium deficiency reserves, (iii) equity-based compensation expense and (iv) certain other items that P3 believes are not indicative of P3's core operating performances. Adjusted EBITDA PMPM is defined as Adjusted EBITDA divided by the number of at-risk Medicare Advantage members each month divided by the number of months in the period. P3 believes these non-GAAP financial measures provide an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with other similar companies.

Medical margin represents the amount earned from capitation revenue after medical claims expenses are deducted. Medical claims expenses represent costs incurred for medical services provided to P3 members. As P3's platform grows and matures over time, the Company expects medical margin to increase in absolute dollars; however, medical margin PMPM may vary as the percentage of new members brought on to the Company's platform fluctuates. New membership added to the platform is typically dilutive to medical margin PMPM. Furthermore, in light of COVID-19, P3 continues to evaluate the ultimate impact of the pandemic on medical

margin.

P3 defines network contribution as total operating revenue less the sum of: (i) medical claims expenses and (ii) other medical expenses including physician compensation expense related to surplus sharing and bonuses and other direct medical expenses incurred to improve care for the Company's members. P3s believes this metric provides insight into the economics of the P3 Care Model, as it includes all medical claims expense associated with the Company's members' care as well as partner compensation and additional medical costs P3 incurs as part of the Company's aligned partnership model. Other medical expenses are largely variable and proportionate to the level of surplus in each respective market, among other cost factors.

P3 does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In addition, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of P3's non-GAAP financial measures as tools for comparison. The tables at the end of this release present a reconciliation of Adjusted EBITDA to net income (loss) and Adjusted EBITDA PMPM to net income (loss) PMPM, and medical margin and network contribution to operating income (loss) which are the most directly comparable financial measures calculated in accordance with GAAP.

### Key Performance Metrics

In addition to the Company's GAAP and non-GAAP financial information, the Company also monitors "at-risk members" to help it evaluate the business, identify trends affecting the business, formulate business plans and make strategic decisions. At-risk membership represents the approximate number of Medicare Advantage members for whom P3 receives a fixed PMPM fee under capitation arrangements as of the end of a particular period.

### Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "believe," "budget," "contemplate," "continue," "could," "envision," "estimate," "expect," "guidance," "indicate," "intend," "may," "might," "plan," "possibly," "potential," "predict," "probably," "pro-forma," "project," "seek," "should," "target," or "will," or the negative or other variations thereof, and

similar words or phrases or comparable terminology, are intended to identify forward-looking statements. These forward-looking statements address various matters, including the Company's future expected growth strategy and operating performance; current expectations regarding the Company's liquidity condition, outlook as to revenue, at-risk Medicare Advantage membership and Adjusted EBITDA loss for the full year 2023; and P3's expectation to achieve Adjusted EBITDA profitability in 2024, all of which reflect the Company's expectations based upon currently available information and data. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected or estimated and you are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important risks and uncertainties that could cause actual results and financial condition to differ materially from those indicated in forward-looking statements include, among others, changes in market or industry conditions, regulatory environment, competitive conditions, and receptivity to P3's services; the Company's ability to fund its growth and expand its operations; changes in laws and regulations applicable to the Company's business; the Company's ability to maintain its relationships with health plans and other key payers; the impact of COVID-19, including the impact of new variants of the virus, or another pandemic, epidemic or outbreak of infectious disease on its business and results of operation; increased labor costs; the Company's ability to recruit and retain qualified team members and independent physicians; and other factors discussed in Part I, Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 31, 2023, and in the Company's other filings with the SEC. All information in this release is as of the date of this release and P3 undertakes no duty to update or revise this information unless required by law. You are cautioned not to place undue reliance on any forward-looking statements contained in this release.

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