



**Evolent Health Announces First Quarter 2022 Results
Announces Two Operating Partner Additions and One Expansion**

Washington, D.C., (May 4, 2022) – Evolent Health, Inc. (NYSE: EVH), a health care company that delivers proven clinical and administrative solutions to payers and providers, today announced financial results for the quarter ended March 31, 2022.

Highlights from the first quarter of 2022 announcement include:

Quarter ended March 31, 2022:

- GAAP revenue of \$297.1 million, an increase of \$82.0 million, or 38.1%, from the three months ended March 31, 2021.
 - Revenue excluding revenue from divested assets increased 42.1% from the three months ended March 31, 2021.
- Net loss attributable to common shareholders of Evolent Health, Inc. of \$5.4 million resulting in a net loss margin of (1.8)%.
- Achieved Adjusted EBITDA of \$24.3 million resulting in an Adjusted EBITDA margin of 8.2%.
- Total Lives on Platform of 20.3 million as of March 31, 2022, composed of 2.1 million Evolent Health Services Lives on Platform and 18.2 million Clinical Solutions Lives on Platform.

Also today, Evolent announced the following partnership additions:

- AvMed, a not-for-profit health plan headquartered in Miami, Florida, will expand its relationship with New Century Health, adding the Performance suite for oncology. AvMed has been a highly valued client for New Century Health's Technology and Services suite within cardiology. In addition, AvMed will adopt New Century Health's Technology and Services radiation oncology solution to support the management of populations impacted by cancer.
- In 2022, an independent physician group headquartered in California has engaged with Evolent Care Partners to participate in the Medicare Shared Savings Program across a portion of its Medicare fee for service population through multiple member primary care physician practices.

Additionally, the Company announced the following partnership expansion:

- Beginning in 2023, Bright Healthcare plans to significantly expand the implementation to certain Individual Family Plan membership beyond the approximately 350,000 lives that migrated to Evolent Health Services in 2022.

Seth Blackley, Chief Executive Officer, and Co-Founder of Evolent Health stated, "The first quarter marks a strong beginning of the year on the heels of a successful 2021. The Company continues to demonstrate strong organic growth and margin expansion, while optimizing the deployment of shareholder capital. In support of organic growth, we announced two additional operating partnerships today, bringing our total for the year to 6 versus our annual target of 6-8 new partners. We also announced an exciting client expansion for 2023. As we continue to see strong

execution across the business, with particularly high growth in New Century Health and Evolent Care Partners, we remain well positioned against our near and longer-term business objectives.”

Mr. Blackley added, "As we look ahead for 2022, I am confident in the value of our solutions, the depth of our talent and the durability of our strategy. Together, these assets enable us to execute successfully on our mission to help transform U.S. healthcare. Because we have captured only a small fraction of our value-based-care addressable market, I am confident we are well positioned to grow our impact significantly throughout this year and beyond."

Financial Results of Evolent Health, Inc.

In our earnings releases, prepared remarks, conference calls, slide presentations and webcasts, we may use or discuss non-GAAP financial measures. Definitions of the non-GAAP financial measures, as well as reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are included in this earnings release. See Financial Statement Presentation and Non-GAAP Financial Measures for more information.

Segment Highlights: Clinical Solutions

- Revenue of \$190.2 million, up 46.1%, from \$130.2 million from the three months ended March 31, 2021.
 - Revenue excluding revenue from divested assets of \$190.2 million, up 46.1%, from the three months ended March 31, 2021.
- Adjusted EBITDA of \$22.2 million and \$16.0 million for the three months ended March 31, 2022 and 2021, respectively.
 - Adjusted EBITDA margin of 11.7% and 12.3% for the three months ended March 31, 2022 and 2021, respectively.
- Clinical Solutions Lives on Platform in our Performance suite was 1.5 million with a Clinical Solutions Performance suite Average PMPM of \$38.07 and in our New Century Health Technology and Services suite Lives on Platform was 16.7 million with a New Century Health Technology and Services suite Average PMPM of \$0.38 as of March 31, 2022.

Segment Highlights: Evolent Health Services

- Revenue of \$106.9 million, up 25.9%, from \$84.8 million for the three months ended March 31, 2021.
 - Revenue excluding revenue from divested assets of \$105.2 million, up 35.4% from the three months ended March 31, 2021.
- Adjusted EBITDA of \$8.2 million and \$5.9 million for the three months ended March 31, 2022 and 2021, respectively.
 - Adjusted EBITDA margin of 7.7% and 7.0% for the three months ended March 31, 2022 and 2021, respectively.
- Evolent Health Services Lives on Platform was 2.1 million with a Evolent Health Services Average PMPM of \$19.17 as of March 31, 2022.

Reported Results

Evolent Health, Inc. reported the following results in accordance with U.S. generally accepted accounting principles ("GAAP"):

- Revenue of \$297.1 million and \$215.1 million for the three months ended March 31, 2022 and 2021, respectively.
- Cost of revenue of \$219.7 million and \$157.8 million for the three months ended March 31, 2022 and 2021, respectively.
- Selling, general and administrative expenses of \$58.9 million and \$58.6 million for the three months ended March 31, 2022 and 2021, respectively.

- Net loss attributable to common shareholders of Evolent Health, Inc. of \$(5.4) million and \$(9.8) million for the three months ended March 31, 2022 and 2021, respectively.
 - Net loss margin of (1.8)% and (4.6)% for the three months ended March 31, 2022 and 2021, respectively.
- Loss attributable to common shareholders of Evolent Health, Inc., per basic and diluted share, of \$(0.06) and \$(0.12) for the three months ended March 31, 2022 and 2021, respectively.

Total cash and cash equivalents was \$210.2 million as of March 31, 2022.

Adjusted Results

- Adjusted cost of revenue of \$218.5 million and \$157.1 million for the three months ended March 31, 2022 and 2021, respectively.
- Adjusted selling, general and administrative expenses of \$54.3 million and \$43.0 million for the three months ended March 31, 2022 and 2021, respectively.
- Adjusted EBITDA of \$24.3 million and \$14.9 million for the three months ended March 31, 2022 and 2021, respectively.
 - Adjusted EBITDA margin of 8.2% and 6.9% for the three months ended March 31, 2022 and 2021, respectively.
- Adjusted income (loss) attributable to common shareholders of \$10.4 million and \$(1.2) million for the three months ended March 31, 2022 and 2021, respectively.
- Adjusted income (loss) per share attributable to common shareholders of \$0.12 and \$(0.01) for the three months ended March 31, 2022 and 2021, respectively.

Business Outlook

Second Quarter 2022 Guidance

For the three months ending June 30, 2022, revenue is expected to be in the range of approximately \$290.0 million to \$305.0 million. Adjusted EBITDA is expected to be in the range of approximately \$18.0 million to \$23.0 million.

Full Year 2022 Guidance

Revenue for the year ending December 31, 2022 is expected to be in the range of approximately \$1.16 billion to \$1.21 billion. Adjusted EBITDA is expected to be in the range of approximately \$85.0 million to \$95.0 million.

This "Business Outlook" section contains forward-looking statements, and actual results may differ materially. Factors that may cause actual results to differ materially from our current expectations are set forth below in "Forward Looking Statements - Cautionary Language" and Evolent Health, Inc.'s filings with the Securities and Exchange Commission ("SEC").

Additional Outlook Information

Cash deployed for software development is expected to be in the range of \$25 million - \$30 million for the year ended December 31, 2022.

Web and Conference Call Information

As previously announced, Evolent Health, Inc. will hold a conference call to discuss its first quarter performance this evening, May 4, 2022, at 5:00 p.m., Eastern Time. To listen to a live broadcast via the internet and view the accompanying materials, please visit the Company's Investor Relations website at <http://ir.evolenthealth.com>. To participate by telephone, dial 855.940.9467 or 412.317.6034 for international callers, and ask to join the "Evolent Health call." Participants are advised to dial in at least fifteen minutes prior to the call to register. The call will be

archived on the company's website for one week and will be available beginning later this evening. Evolent Health invites all interested parties to attend the conference call.

About Evolent Health

Evolent Health (NYSE: EVH) delivers proven clinical and administrative solutions that improve whole-person health while making health care simpler and more affordable. Our solutions encompass total cost of care management, specialty care management, and administrative simplification. Evolent serves a national base of leading payers and providers, is the first company to receive the National Committee for Quality Assurance's Population Health Program Accreditation, and is consistently recognized as a top place to work in health care nationally. Learn more about how Evolent is changing the way health care is delivered by visiting evolenthealth.com.

Contacts:

Seth Frank
Investor Relations
sfrank@evolenthealth.com

Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with GAAP, we present and discuss Revenue Excluding Divested Assets, Adjusted Cost of Revenue, Adjusted Selling, General and Administrative Expenses, Adjusted Depreciation and Amortization Expenses, Adjusted Total Operating Expenses, Adjusted Operating Income (Loss), Adjusted EBITDA, Adjusted Earnings (Loss) Available to Common Shareholders and Adjusted Earnings (Loss) per Share Available to Common Shareholders, which are all non-GAAP financial measures, as supplemental measures to help investors evaluate our fundamental operational performance.

Adjusted Cost of Revenue and Adjusted Selling, General and Administrative Expenses are defined as cost of revenue and selling, general and administrative expenses, respectively, adjusted to exclude the impact of stock-based compensation expenses, severance costs, amortization of contract cost assets recorded as a result of a one-time ASC 606 transition adjustment, acquisition-related costs related to acquisitions and business combinations, securities offerings, discontinued operations, strategy and shareholder advisory services and certain one-time adjustments. Management uses Adjusted Cost of Revenue and Adjusted Selling, General and Administrative Expenses as supplemental performance measures, which are also useful to investors, because they facilitate an understanding of our long-term operational costs while removing the effect of costs that are not expected to reoccur frequently (e.g. acquisition-related costs) and non-cash (e.g. stock-based compensation expenses) in nature. Additionally, these supplemental performance measures facilitate understanding a breakdown of our Adjusted Total Operating Expenses. Adjustments for acquisition-related costs incurred generally represent professional service fees and direct expenses related to acquisitions. Because we do not acquire businesses on a predictable cycle, we do not consider the amount of acquisition-related costs to be a representative component of the day-to-day operating performance of our business.

Adjusted Depreciation and Amortization Expenses is defined as depreciation and amortization expenses adjusted to exclude the impact of amortization expenses related to intangible assets acquired through asset acquisitions and business combinations. Management uses Adjusted Depreciation and Amortization Expenses as a supplemental performance measure because it reflects a complete view of the operational results. The measure is also useful to investors because it facilitates understanding a breakdown of our Adjusted Total Operating Expenses.

Adjusted Total Operating Expenses is defined as the sum of Adjusted Cost of Revenue, Adjusted Selling, General and Administrative Expenses and Adjusted Depreciation and Amortization Expenses, and reflects the adjustments made in those non-GAAP measures. Adjusted Total Operating Expenses is further adjusted to exclude the impact

of (gain) loss on disposal of assets and items arising from acquisitions and business combinations, such as changes in fair value of contingent consideration.

Adjusted Operating Income (Loss) is defined as Adjusted Revenue less Adjusted Total Operating Expenses, and reflects the adjustments made in those non-GAAP measures. Management uses Adjusted Total Operating Expenses and Adjusted Operating Income (Loss) because the removal of acquisition costs, one-time or non-cash items (e.g. depreciation, amortization and stock-based compensation expenses) allows us to focus on operational performance, and believes these measures are useful to investors because they give investors insight into our core operating performance.

Adjusted EBITDA is defined as net loss attributable to common shareholders of Evolent Health, Inc. before interest income, interest expense, provision for income taxes, depreciation and amortization expenses, adjusted to exclude gain on transfer of membership, loss on repayment of debt, gain from equity method investees, changes in fair value of contingent consideration, other income (expense), net, repositioning costs, stock-based compensation expense, severance costs, amortization of contract cost assets, strategy and shareholder advisory services, acquisition-related costs and gain from discontinued operations.

Management uses Adjusted EBITDA as a supplemental performance measure because the removal of acquisition-related costs, one-time or non-cash items (e.g. depreciation, amortization and stock-based compensation expenses) allows us to focus on operational performance. We believe that this measure is also useful to investors because it allows further insight into the period over period operational performance in a manner that is comparable to other organizations in our industry and in the market in general.

Adjusted EBITDA Margin is as defined Adjusted EBITDA divided by Revenue. Management uses Adjusted EBITDA margin as a supplemental performance measure because it allows the investor to understand operational performance compared to revenues over time. We believe that this measure is also useful to investors because it allows further insight into the period over period operational performance in a manner that is comparable to other organizations in our industry and in the market in general.

Adjusted Earnings (Loss) Available to Common Shareholders is defined as net loss attributable to common shareholders of Evolent Health, Inc. adjusted to exclude gain from equity method investees, other income (expense), net, gain on transfer of membership, loss on repayment of debt, changes in fair value of contingent consideration, purchase accounting adjustments, repositioning costs, stock-based compensation expenses, severance costs, amortization of contract cost assets recorded as a result of a one-time ASC 606 transition adjustment, gain from discontinued operations, strategy and shareholder advisory services and acquisition-related costs.

Adjusted Earnings (Loss) per Share Available to Common Shareholders is defined as Adjusted Earnings (Loss) Available to Common Shareholders divided by Weighted-Average Common Shares, and reflects the adjustments made in those non-GAAP measures.

Management uses Adjusted Earnings (Loss) Available to Common Shareholders and Adjusted Earnings (Loss) per Share Available to Common Shareholders because excluding non-cash items (e.g. depreciation, amortization and stock-based compensation expenses) allows us to focus on operational performance. We believe that these measures are also useful to investors for the same reason.

Revenue Excluding Divested Assets is defined as the sum of revenue, less revenue from our divested health plan assets of Passport, Lighthouse and Miami Children's when divested. Management uses Total Revenue Excluding Divested Assets as a supplemental performance measure because it reflects our on-going operational results. The measure is useful to investors because it reflects the current view of our operational performance in line with how we generate our long-term forecasts.

These adjusted measures do not represent and should not be considered as alternatives to GAAP measurements, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. A reconciliation of these adjusted measures to their most comparable GAAP financial measures is presented in the tables below. We believe these measures are useful across time in evaluating our fundamental core operating performance.

Lives on Platform and Per Member Per Month (“PMPM”) Fee

Total Lives on Platform are calculated by summing our Evolent Health Services Lives on Platform and our Clinical Solutions Lives on Platform. Evolent Health Services Lives on Platform are calculated by summing members on our value-based care and comprehensive health plan administrative platform. Clinical Solutions Lives on Platform are calculated by summing the Clinical Solutions Lives on Platform in our Performance suite and New Century Health Technology and Services suite Lives on Platform. Clinical Solutions Lives on Platform in our Performance suite are calculated by summing members covered for oncology specialty care services and members covered for cardiology specialty care services for contracts not under ASO arrangements. New Century Health Technology and Services suite Lives on Platform are calculated by summing members covered for oncology specialty care services, members covered for cardiology specialty care services and members covered for advance care planning services for contracts under ASO arrangements. Members covered for more than one category are counted in each category.

Evolent Health Services average per member per month (“PMPM”) fee is defined as platform and operations revenue pertaining to the Evolent Health Services segment during the period reported divided by the average of the beginning and ending Evolent Health Services segment membership during the period reported divided by the number of months in the period. Clinical Solutions Performance suite Average PMPM fee is defined as platform and operations services revenue pertaining to our Clinical Solutions Performance suite during the period reported divided by the average of the beginning and ending Clinical Solutions Performance suite membership during the period reported divided by the number of months in the period. New Century Health Technology and Services suite Average PMPM fee is defined as platform and operations revenue pertaining to the New Century Health Technology and Services suite during the period reported divided by the average of the beginning and ending New Century Health Technology and Services suite membership during the period reported divided by the number of months in the period.

Management uses lives on platform and PMPM fees because we believe that they provide insight into the unit economics of our services. We believe that these measures are also useful to investors because they allow further insight into the period over period operational performance. We believe that these measures are also useful to investors because they allow further insight into the period over period operational performance.

Evolent Health, Inc.
Consolidated Statements of Operations and Comprehensive Income (Loss)
(unaudited, in thousands, except per share data)

	For the Three Months Ended March 31,	
	2022	2021
Revenue	\$ 297,057	\$ 215,071
Expenses		
Cost of revenue (exclusive of depreciation and amortization expenses presented separately below)	219,739	157,832
Selling, general and administrative expenses	58,932	58,591
Depreciation and amortization expenses	15,106	15,187
Change in fair value of contingent consideration	6,078	(594)
Total operating expenses	299,855	231,016
Operating loss	(2,798)	(15,945)
Interest income	117	123
Interest expense	(2,241)	(6,337)
Gain from equity method investees	596	7,783
Gain on transfer of membership	—	22,969
Loss on repayment of debt	—	(19,158)
Other income (expense), net	178	(14)
Loss from continuing operations before income taxes	(4,148)	(10,579)
Provision for income taxes	1,202	611
Loss from continuing operations	(5,350)	(11,190)
Income from discontinued operations, net of tax ⁽¹⁾	—	1,383
Net loss attributable to common shareholders of Evolent Health, Inc.	<u><u>\$ (5,350)</u></u>	<u><u>\$ (9,807)</u></u>
Loss per common share		
Basic and diluted		
Continuing operations	\$ (0.06)	\$ (0.13)
Discontinued operations	—	0.01
Basic and diluted loss per share attributable to common shareholders of Evolent Health, Inc.	<u><u>\$ (0.06)</u></u>	<u><u>\$ (0.12)</u></u>
Weighted-average common shares outstanding		
Basic and diluted	<u><u>89,509</u></u>	<u><u>84,670</u></u>
Comprehensive loss		
Net loss	\$ (5,350)	\$ (9,807)
Other comprehensive loss, net of taxes, related to:		
Foreign currency translation adjustment	(132)	(31)
Total comprehensive loss attributable to common shareholders of Evolent Health, Inc.	<u><u>\$ (5,482)</u></u>	<u><u>\$ (9,838)</u></u>

⁽¹⁾ Includes \$1.9 million gain on disposal of discontinued operations for the three months ended March 31, 2021.

Evolent Health, Inc.
Condensed Consolidated Balance Sheets
(in thousands, unaudited)

	March 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 210,158	\$ 266,280
Restricted cash and restricted investments	52,628	88,662
Total current assets	463,388	523,960
Intangible assets, net	272,213	279,784
Goodwill	426,274	426,297
Total assets	1,339,149	1,419,458
Accounts payable	64,036	96,084
Debt, net of discount	282,598	215,676
Total liabilities	727,940	725,825
Total shareholders' equity	611,209	693,633
Total liabilities and shareholders' equity	1,339,149	1,419,458

Evolent Health, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	For the Three Months Ended March 31,	
	2022	2021
Net cash and restricted cash used in continuing operations		
Net cash and restricted cash used in operating activities	\$ (57,442)	\$ (48,163)
Net cash and restricted cash provided by investing activities	16,766	45,951
Net cash and restricted cash used in financing activities	(51,376)	(55,584)
Effect of exchange rate on cash and cash equivalents and restricted cash	(104)	1
Net decrease in cash and cash equivalents and restricted cash	(92,156)	(57,795)
Cash and cash equivalents and restricted cash as of beginning-of-period ⁽¹⁾	354,942	361,564
Cash and cash equivalents and restricted cash as of end-of-period ⁽¹⁾	<u>\$ 262,786</u>	<u>\$ 303,769</u>
Net cash and restricted cash provided by (used in) discontinued operations		
Cash flows provided by operating activities	\$ —	\$ 5,002
Cash flows used in investing activities	—	(2,494)

⁽¹⁾ As a result of the closing of the sale of True Health during the first quarter of 2021, the consolidated statement of operations and related financial information reflect the Company's operations and assets and liabilities of True Health as discontinued operations. Cash flows and comprehensive income have not been adjusted and are included in the consolidated statements of cash flows and consolidated statements of comprehensive income (loss) for the three months ended March 31, 2021.

Evolent Health, Inc.
Reconciliation of Adjusted Results of Operations
(in thousands, unaudited)

	For the Three Months Ended March 31, 2022			For the Three Months Ended March 31, 2021			Evolent Health, Inc. as Reported		Evolent Health, Inc. as Adjusted	
	Evolent Health, Inc. as Reported	Adjustments	Evolent Health, Inc. as Adjusted	Evolent Health, Inc. as Reported	Adjustments	Evolent Health, Inc. as Adjusted	Change Over Prior Period		Change Over Prior Period	
							\$	%	\$	%
Revenue	\$ 297,057	\$ —	\$ 297,057	\$ 215,071	\$ —	\$ 215,071	\$ 81,986	38.1 %	\$ 81,986	38.1 %
Expenses										
Cost of revenue (exclusive of depreciation and amortization expenses presented separately below) ⁽¹⁾	219,739	(1,195)	218,544	157,832	(689)	157,143	61,907	39.2 %	61,401	39.1 %
Selling, general and administrative expenses ⁽²⁾	58,932	(4,674)	54,258	58,591	(15,570)	43,021	341	0.6 %	11,237	26.1 %
Depreciation and amortization expenses ⁽³⁾	15,106	(4,569)	10,537	15,187	(5,906)	9,281	(81)	(0.5)%	1,256	13.5 %
Change in fair value of contingent consideration	6,078	(6,078)	—	(594)	594	—	6,672	1,123.2 %	—	— %
Total operating expenses	299,855	(16,516)	283,339	231,016	(21,571)	209,445	68,839	29.8 %	73,894	35.3 %
Operating income (loss)	\$ (2,798)	\$ 16,516	\$ 13,718	\$ (15,945)	\$ 21,571	\$ 5,626	\$ 13,147	82.5 %	\$ 8,092	143.8 %
Total operating expenses as a percentage of total revenue	100.9 %		95.4 %	107.4 %		97.4 %				

⁽¹⁾ Adjustments to cost of revenue include \$0.8 million and \$0.6 million in stock-based compensation expense, \$0.4 million and \$0.1 million related to the amortization of contract cost assets recorded as a result of the one-time ASC 606 transition adjustment for the three months ended March 31, 2022 and 2021, respectively.

⁽²⁾ Adjustments to selling, general and administrative expenses include \$4.5 million and \$3.1 million in stock-based compensation expense and \$0.5 million and \$2.2 million of acquisition-related costs resulting from acquisitions and business combinations for the three months ended March 31, 2022 and 2021, respectively. Adjustments for the three months ended March 31, 2021 include \$5.3 million of repositioning costs and \$5.0 million of strategy and shareholder advisory expenses.

⁽³⁾ Adjustments to depreciation and amortization expenses of approximately \$4.6 million and \$5.9 million for the three months ended March 31, 2022 and 2021, respectively, relate to amortization of intangible assets acquired via asset acquisitions and business combinations.

Evolent Health, Inc.
Segment Results
(in thousands, unaudited)

	Evolent Health Services	Clinical Solutions	Intersegment Eliminations	Subtotal	Corporate ⁽¹⁾	Consolidated Total
Revenue						
For the Three Months Ended March 31, 2022						
Total revenue	<u>\$ 107,318</u>	<u>\$ 190,199</u>	<u>\$ (460)</u>	<u>\$ 297,057</u>	<u>\$ —</u>	<u>\$ 297,057</u>
For the Three Months Ended March 31, 2021						
Total revenue	<u>\$ 85,286</u>	<u>\$ 130,223</u>	<u>\$ (438)</u>	<u>\$ 215,071</u>	<u>\$ —</u>	<u>\$ 215,071</u>
	Evolent Health Services	Clinical Solutions	Subtotal	Corporate ⁽¹⁾	Consolidated Total	
For the Three Months Ended March 31, 2022						
Adjusted EBITDA	<u>\$ 8,217</u>	<u>\$ 22,196</u>	<u>\$ 30,413</u>	<u>\$ (6,158)</u>	<u>\$ 24,255</u>	
For the Three Months Ended March 31, 2021						
Adjusted EBITDA	<u>\$ 5,942</u>	<u>\$ 15,976</u>	<u>\$ 21,918</u>	<u>\$ (7,011)</u>	<u>\$ 14,907</u>	

⁽¹⁾ Corporate includes various finance, human resources, legal, executive and other corporate infrastructure expenses.

Evolent Health, Inc.
Reconciliation of Adjusted EBITDA to Net Loss
Attributable to Common Shareholders of Evolent Health, Inc.
(in thousands, except per share data)
(unaudited)

	For the Three Months Ended March 31.	
	2022	2021
Net loss attributable to common shareholders of Evolent Health, Inc.	\$ (5,350)	\$ (9,807)
<i>Net loss margin</i>	<i>(1.8)%</i>	<i>(4.6)%</i>
Less:		
Interest income	117	123
Interest expense	(2,241)	(6,337)
Provision for income taxes	(1,202)	(611)
Depreciation and amortization expenses	(15,106)	(15,187)
Gain on transfer of membership	—	22,969
Loss on repayment of debt	—	(19,158)
Gain from equity method investees	596	7,783
Change in fair value of contingent consideration	(6,078)	594
Other income (expense), net	178	(14)
Repositioning costs	—	(5,380)
Stock-based compensation expense	(5,346)	(3,706)
Severance costs	(39)	(52)
Amortization of contract cost assets	(27)	(127)
Strategy and shareholder advisory expenses	—	(5,000)
Acquisition-related costs	(457)	(1,994)
Gain from discontinued operations ⁽¹⁾	—	1,383
Adjusted EBITDA	\$ 24,255	\$ 14,907
Adjusted EBITDA margin	8.2 %	6.9 %

⁽¹⁾ Includes \$1.9 million gain on disposal of discontinued operations for the three months ended March 31, 2021.

Evolent Health, Inc.
Reconciliation of Adjusted EBITDA to Net Loss
Attributable to Common Shareholders of Evolent Health, Inc.
(in thousands, except per share data)
(unaudited)

	Evolent Health Services		Clinical		Corporate	
	For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2022	2021	2022	2021	2022	2021
Net loss attributable to common shareholders of Evolent Health, Inc.	\$ (2,243)	\$ 13,052	\$ 14,452	\$ 11,143	\$ (17,559)	\$ (34,002)
<i>Net income margin</i>	(2.1)%	15.3 %	7.6 %	8.6 %		
Less:						
Interest income	—	—	—	—	117	123
Interest expense	—	—	—	—	(2,241)	(6,337)
Benefit (provision) for income taxes	—	—	—	—	(1,202)	(611)
Depreciation and amortization expenses	(9,624)	(11,068)	(5,482)	(4,119)	—	—
Gain (loss) from equity method investees	—	—	—	—	596	7,783
Gain on transfer of membership	—	22,969	—	—	—	—
Loss (gain) on disposal of assets	—	—	—	—	—	—
Change in fair value of contingent consideration	—	—	—	—	(6,078)	594
Other income (expense), net	—	—	—	—	178	(14)
Loss on extinguishment of debt	—	—	—	—	—	(19,158)
Repositioning costs	—	(5,380)	—	—	—	—
Stock-based compensation expense	(820)	(667)	(1,797)	(489)	(2,729)	(2,550)
Severance costs	—	—	—	—	(39)	(52)
Amortization of contract cost assets	(16)	(127)	—	—	(11)	—
Strategy and shareholder advisory expenses	—	—	—	—	—	(5,000)
Acquisition-related costs	—	—	(465)	(225)	8	(1,769)
Gain from discontinued operations	—	1,383	—	—	—	—
Adjusted EBITDA	\$ 8,217	\$ 5,942	\$ 22,196	\$ 15,976	\$ (6,158)	\$ (7,011)
Adjusted EBITDA margin	7.7 %	7.0 %	11.7 %	12.3 %		

Evolent Health, Inc.
Reconciliation of Adjusted Earnings (Loss) Available to Common
Shareholders to Net Loss Attributable to Common Shareholders
(in thousands, except per share data)
(unaudited)

	For the Three Months Ended March 31,	
	2022	2021
Net Loss Attributable to Common Shareholders of Evolent Health, Inc. (a)	\$ (5,350)	\$ (9,807)
Less:		
Gain from equity method investees	596	7,783
Other expense, net	178	(14)
Gain on transfer of membership	—	22,969
Loss on repayment of debt	—	(19,158)
Change in fair value of contingent consideration	(6,078)	594
Purchase accounting adjustments	(4,569)	(5,906)
Repositioning costs	—	(5,380)
Stock-based compensation expense	(5,346)	(3,706)
Severance costs	(39)	(52)
Amortization of contract cost assets	(27)	(127)
Gain from discontinued operations ⁽¹⁾	—	1,383
Strategy and shareholder advisory expenses	—	(5,000)
Acquisition-related costs	(457)	(1,994)
Adjusted Income (Loss) Attributable to Common Shareholders (b)	\$ 10,392	\$ (1,199)
Loss per Share Attributable to Common Shareholders - Basic and Diluted (a) ⁽²⁾	\$ (0.06)	\$ (0.12)
Adjusted Income (Loss) per Share Available to Common Shareholders (b)	\$ 0.12	\$ (0.01)
Weighted-average common shares - basic and diluted ⁽²⁾	89,509	84,670

⁽¹⁾ Includes \$1.9 million gain on disposal of discontinued operations for the three months ended March 31, 2021.

⁽²⁾ For periods of net loss, shares used in both the basic and diluted earnings per share calculation represent basic shares as using diluted shares would be anti-dilutive.

Evolent Health, Inc.
Reconciliation of Revenue from Divested Assets
to Revenue
(in thousands, except per share data)
(unaudited)

	For the Three Months	
	Ended March 31,	
	2022	2021
Total revenue	\$ 297,057	\$ 215,071
Less:		
Revenue from divested assets	1,658	7,211
Total revenue excluding divested assets	295,399	207,860
Clinical Solutions revenue	\$ 190,199	\$ 130,223
Less:		
Revenue from divested assets	—	71
Clinical Solutions revenue excluding divested assets	190,199	130,152
Evolent Health Services revenue	106,858	84,848
Less:		
Revenue from divested assets	1,658	7,140
Evolent Health Services revenue excluding divested assets	105,200	77,708
Total revenue excluding divested assets	\$ 295,399	\$ 207,860

Evolent Health, Inc.
Guidance Reconciliation
(in thousands, unaudited)

	For the Three Months Ended June 30, 2022	For the Year Ended December 31, 2022
Net loss attributable to common shareholders of Evolent Health,	\$ (7,625)	\$ (21,690)
Less:		
Interest income	250	867
Interest expense	(2,500)	(9,741)
Income tax expense	—	(1,202)
Depreciation and amortization expenses	(15,250)	(60,811)
Gain from equity method investees	—	596
Other income (expense), net	—	345
Change in contingent consideration	(4,100)	(16,300)
Stock-based compensation expense	(5,500)	(21,846)
Severance costs	—	(39)
Amortization of contract cost assets	(25)	(102)
Acquisition-related costs	(1,000)	(3,457)
Adjusted EBITDA	\$ 20,500	\$ 90,000

The guidance reconciliation provided above reconciles the midpoint of the respective guidance ranges to the most comparable GAAP measure.

FORWARD-LOOKING STATEMENTS - CAUTIONARY LANGUAGE

Certain statements made in this report and in other written or oral statements made by us or on our behalf are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like: “believe,” “anticipate,” “expect,” “estimate,” “aim,” “predict,” “potential,” “continue,” “plan,” “project,” “will,” “should,” “shall,” “may,” “might” and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to our ability to grow our impact significantly throughout this year and beyond, future actions, trends in our businesses, prospective services, new partner additions/expansions, our guidance and business outlook and future performance or financial results, and the closing of pending transactions and the outcome of contingencies, such as legal proceedings. We claim the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

These statements are only predictions based on our current expectations and projections about future events. Forward-looking statements involve risks and uncertainties that may cause actual results, level of activity, performance or achievements to differ materially from the results contained in the forward-looking statements. Risks and uncertainties that may cause actual results to vary materially, some of which are described within the forward-looking statements, include, among others:

- the significant portion of revenue we derive from our largest partners, and the potential loss, non-renewal, termination or renegotiation of our relationship or contract with any significant partner, or multiple partners in the aggregate;
- evolution in the market for value-based care;
- uncertainty in the health care regulatory framework, including the potential impact of policy changes;
- our ability to offer new and innovative products and services;
- risks related to completed and future acquisitions, investments, alliances and joint ventures, divert management resources, or result in unanticipated costs or dilute our stockholders;
- the financial benefits we expect to receive as a result of the sale of certain assets of Passport may not be realized;
- the growth and success of our partners, which is difficult to predict and is subject to factors outside of our control, including governmental funding reductions and other policy changes, enrollment numbers for our partners’ plans, premium pricing reductions, selection bias in at-risk membership and the ability to control and, if necessary, reduce health care costs;
- risks relating to our ability to maintain profitability for our total cost of care and New Century Health’s performance-based contracts and products, including capitation and risk-bearing contracts;
- our ability to effectively manage our growth and maintain an efficient cost structure, and to successfully implement cost cutting measures;
- changes in general economic conditions nationally and regionally in our markets, including inflation and economic and business conditions and the impact thereof on the economy resulting from the COVID-19 pandemic and other public health emergencies;
- our ability to recover the significant upfront costs in our partner relationships;
- our ability to attract new partners and successfully capture new growth opportunities;
- the increasing number of risk-sharing arrangements we enter into with our partners;
- our ability to estimate the size of our target markets;
- our ability to maintain and enhance our reputation and brand recognition;
- consolidation in the health care industry;
- competition which could limit our ability to maintain or expand market share within our industry;
- risks related to governmental payer audits and actions, including whistleblower claims;
- our ability to partner with providers due to exclusivity provisions in our contracts;
- risks related to our offshore operations;

- our ability to contain health care costs, implement increases in premium rates on a timely basis, maintain adequate reserves for policy benefits or maintain cost effective provider agreements;
- our dependency on our key personnel, and our ability to attract, hire, integrate and retain key personnel;
- the impact of additional goodwill and intangible asset impairments on our results of operations;
- our indebtedness, our ability to service our indebtedness, and our ability to obtain additional financing;
- our ability to achieve profitability in the future;
- the impact of litigation, including the ongoing class action lawsuit;
- material weaknesses in the future may impact our ability to conclude that our internal control over financial reporting is not effective and we may be unable to produce timely and accurate financial statements;
- restrictions and penalties as a result of privacy and data protection laws;
- data loss or corruption due to failures or errors in our systems and service disruptions at our data centers;
- restrictions and penalties as a result of privacy and data protection laws;
- adequate protection of our intellectual property, including trademarks;
- any alleged infringement, misappropriation or violation of third-party proprietary rights;
- our use of “open source” software;
- our ability to protect the confidentiality of our trade secrets, know-how and other proprietary information;
- our reliance on third parties and licensed technologies;
- our ability to use, disclose, de-identify or license data and to integrate third-party technologies;
- our reliance on Internet infrastructure, bandwidth providers, data center providers, other third parties and our own systems for providing services to our partners;
- our reliance on third-party vendors to host and maintain our technology platform;
- our obligations to make payments to certain of our pre-IPO investors for certain tax benefits we may claim in the future;
- our ability to utilize benefits under the tax receivables agreement described herein;
- our obligations to make payments under the tax receivables agreement that may be accelerated or may exceed the tax benefits we realize;
- the terms of agreements between us and certain of our pre-IPO investors;
- the conditional conversion features of the 2024 and 2025 convertible notes, which, if triggered, could require us to settle the 2024 or 2025 convertible notes in cash;
- the potential volatility of our Class A common stock price;
- the potential decline of our Class A common stock price if a substantial number of shares are sold or become available for sale;
- provisions in our second amended and restated certificate of incorporation and third amended and restated by-laws and provisions of Delaware law that discourage or prevent strategic transactions, including a takeover of us;
- the ability of certain of our investors to compete with us without restrictions;
- provisions in our second amended and restated certificate of incorporation which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees; and
- our intention not to pay cash dividends on our Class A common stock.

The risks included here are not exhaustive. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Our Annual Report on Form 10-K for the year ended December 31, 2021 (the “2021 Form 10-K”) and other documents filed with the SEC include additional factors that could affect our businesses and financial performance. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the effect of all risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction

of actual results. In addition, we disclaim any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this report.