

EVOLENT HEALTH OVERVIEW

March 2018



Safe Harbor Statement

Certain statements in this presentation 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 future actions, trends in our businesses, prospective services, future performance or financial results 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, include, among others: the structural change in the market for health care in the United States; uncertainty in the health care regulatory framework; uncertainty in the public exchange market; the uncertain impact of CMS waivers to Medicaid rules; the uncertain impact the results of the 2018 congressional, state and local elections, as well as subsequent elections, may have on health care laws and regulations; our ability to effectively manage our growth; the significant portion of revenue we derive from our largest partners, and the potential loss, termination or renegotiation of customer contracts; our ability to offer new and innovative products and services; risks related to completed and future acquisitions, investments and alliances, including the acquisition of assets from NMHC and the acquisitions of Valence Health and Aldera, which may be difficult to integrate, divert management resources, result in unanticipated costs or dilute our stockholders; certain risks and uncertainties associated with the acquisition of assets from NMHC and the acquisition of Valence Health, including future revenues may be less than expected, the timing and extent of new lives expected to come onto the platform may not occur as expected and the expected results of Evolent may not be impacted as anticipated; the growth and success of our partners, which is difficult to predict and is subject to factors outside of our control, including premium pricing reductions, selection bias in at-risk membership and the ability to control and, if necessary, reduce health care costs, particularly in New Mexico; our ability to attract new partners; the increasing number of risk-sharing arrangements we enter into with our partners; our ability to recover the significant upfront costs in our partner relationships; our ability to estimate the size of our target market; 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 payor audits and actions, including whistleblower claims; our ability to partner with providers due to exclusivity provisions in our contracts; 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; data loss or corruption due to failures or errors in our systems and service disruptions at our data centers; online security risks and breaches or failures of our security measures; our reliance on Internet infrastructure, bandwidth providers, data center providers, other third parties and our own systems for providing services to our users; our reliance on third-party vendors to host and maintain our technology platform; 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; the risk of a significant reduction in the enrollment in our health plan; our dependency on our key personnel, and our ability to attract, hire, integrate and retain key personnel; the risk of potential future goodwill impairment on our results of operations; our indebtedness and our ability to obtain additional financing; our ability to achieve profitability in the future; the requirements of being a public company; our adjusted results may not be representative of our future performance; the risk of potential future litigation; our holding company structure and dependence on distributions from Evolent Health LLC; 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 ability to realize all or a portion of the tax benefits that we currently expect to result from past and future exchanges of Class B common units of Evolent Health LLC for our Class A common stock, and to utilize certain tax attributes of Evolent Health Holdings and an affiliate of TPG; distributions that Evolent Health LLC will be required to make to us and to the other members of Evolent Health LLC; our obligations to make payments under the tax receivables agreement that may be accelerated or may exceed the tax benefits we realize; different interests among our pre-IPO investors, or between us and our pre-IPO investors; the terms of agreements between us and certain of our pre-IPO investors; 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 or if a large number of Class B common units are exchanged for shares of Class A common stock; provisions in our second amended and restated certificate of incorporation and second 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; our intention not to pay cash dividends on our Class A common stock; our ability to remediate the material weakness in our internal control over financial reporting; our expectations regarding the additional management attention and costs that will be required as we transition from an “emerging growth company” to a “large accelerated filer”; and our lack of public company operating experience.

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, 2017, 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.

Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with GAAP, we present and discuss Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Revenue, Adjusted Transformation Revenue, Adjusted Platform and Operations Revenue, Adjusted Cost of Revenue, Adjusted Services Revenue, which are all non-GAAP financial measures, as supplemental measures to help investors evaluate our fundamental operational performance. Adjusted Revenue, Adjusted Transformation Revenue and Adjusted Platform and Operations Revenue are defined as revenue, transformation revenue, and platform and operations revenue, respectively, adjusted to include revenue, transformation revenue and platform and operations revenue, as applicable, of Evolent Health LLC for periods prior to the offering reorganization, and to exclude the impact of purchase accounting adjustments. Evolent Health, Inc. is a holding company and its principal asset is all of the Class A common units in its operating subsidiary, Evolent Health LLC, which has owned all of its operating assets and substantially all of its business since inception. Prior to the offering reorganization on June 4, 2015, the predecessor of Evolent Health, Inc. accounted for Evolent Health LLC as an equity method investment. The financial results of Evolent Health LLC have been consolidated in the financial statements of Evolent Health, Inc. following the offering reorganization. Management uses Adjusted Revenue, Adjusted Transformation Revenue and Adjusted Platform and Operations Revenue as supplemental performance measures because they reflect a complete view of the operational results. The measures are also useful to investors because they reflect the full view of our operational performance in line with how we generate our long-term forecasts.

Adjusted Services Revenue, Adjusted Transformation Revenue and Adjusted Platform and Operations Revenue are defined as services revenue, transformation revenue, platform and operations revenue, respectively, adjusted to exclude the impact of purchase accounting adjustments. Adjusted Revenue is defined as the sum of Adjusted Services Revenue and True Health New Mexico Premium Revenue less intercompany eliminations. Management uses Adjusted Revenue, Adjusted Services Revenue, Adjusted Transformation Revenue and Adjusted Platform and Operations Revenue as supplemental performance measures because they reflect a complete view of the operational results. The measures are also useful to investors because they reflect the full view of our operational performance in line with how we generate our long term forecasts.

Adjusted EBITDA is defined as EBITDA (net income [loss] attributable to Evolent Health, Inc. before interest income, interest expense, [provision] benefit for income taxes, depreciation and amortization expenses), adjusted to include net income (loss) of Evolent Health LLC (less interest income [expense], net, depreciation and amortization expenses and other income [expense], net, of Evolent Health LLC) for the periods prior to the offering reorganization on June 4, 2015, and adjusted to exclude goodwill impairment, gain on change in fair value of contingent consideration, income (loss) from affiliates, other income (expense), net, net (income) loss attributable to non-controlling interests, purchase accounting adjustments, stock-based compensation expenses, transaction costs related to acquisitions and business combinations, such as gain on change in fair value of contingent consideration and securities offerings, as well as one-time adjustments. Management uses Adjusted EBITDA as a supplemental performance measure because the removal of transaction costs, one-time or non-cash items (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 defined as Adjusted EBITDA divided by Adjusted Revenue.

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 the comparable GAAP financial measures is presented in the Appendix. We are not providing reconciliations for the forward-looking non-GAAP financial measures included in this presentation due to the inherent difficulty in forecasting and quantifying certain amounts that would be necessary for such reconciliations, including adjustments that could be made, the amount of which, based on historical experience, could be significant.

Presenters



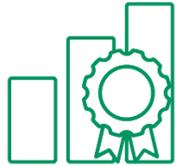
Nicky McGrane

Chief Financial Officer
Evolut Health

Investment Highlights



Established **market leading position** with 30+ partner relationships and 2.7M lives as of Dec. 31, 2017



Highly differentiated offering through fully integrated clinical, administrative and technology platform



Attractive business model

- Multiple avenues of organic growth
- Recurring revenue model under long-term arrangements
- Scalable technology and services platform drives long-term margin expansion



Large and growing market; early stages of transition from fee-for-service to value-based care in Medicare, Medicaid and commercial segments

Evolut Health

by the numbers

30+

partners
as of 31-Dec-17

2.7M

lives on the platform
as of 31-Dec-17

33K

hospital bed days
avoided in 2017

2,600+

Employees as of
31-Dec-17

our vision

Build a national network of providers transforming care under value-based payment initiatives

what we do

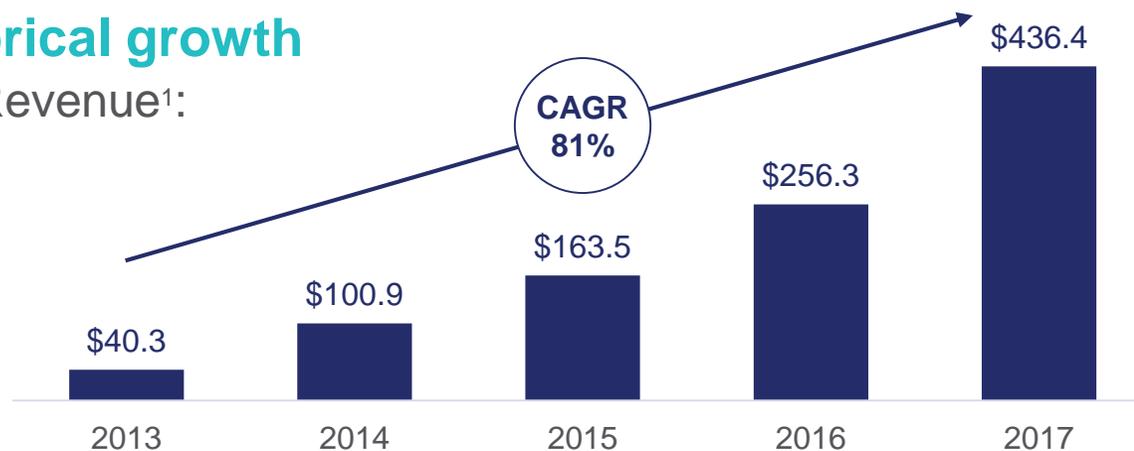
Provide an integrated clinical, administrative and technology platform to support providers moving to value-base care arrangements

differentiators

Provider-driven, broad integrated platform, embedded and aligned partnerships, proven clinical and financial results

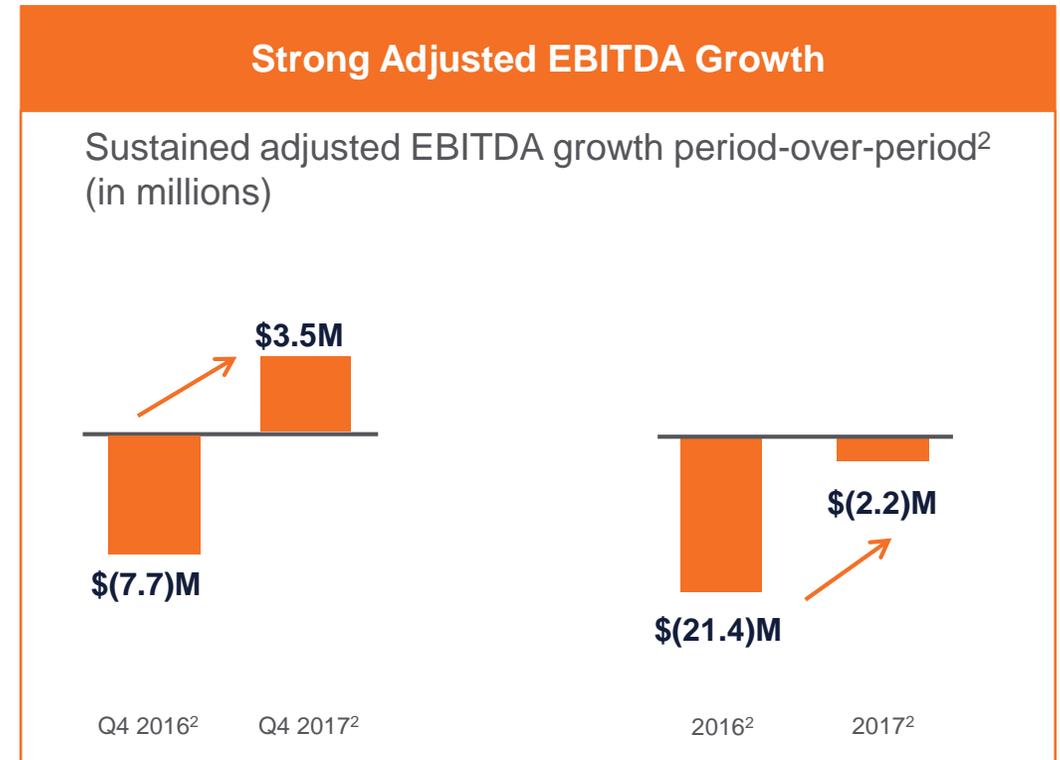
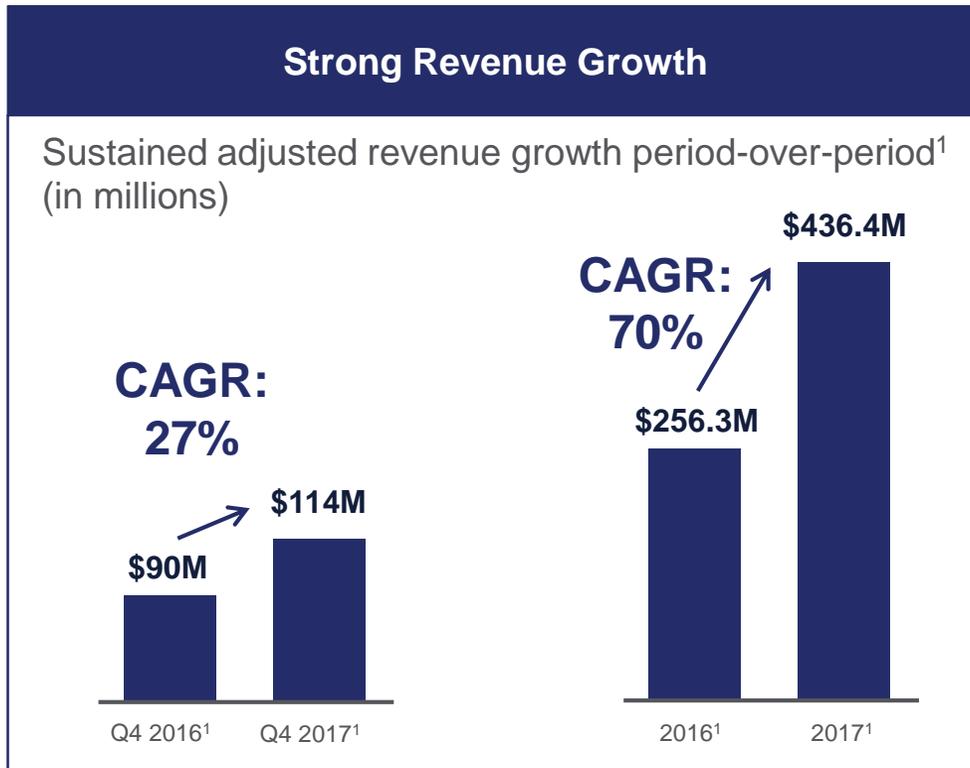
historical growth

Adj. Revenue¹:



¹ Non-GAAP measure, see "Non-GAAP Financial Measures" above for definition and Appendix A below for reconciliation to GAAP. GAAP revenues in 2013, 2014, 2015, 2016 and 2017 \$25.7M, zero, \$96.9M, \$254.2M and \$435.0M respectively.

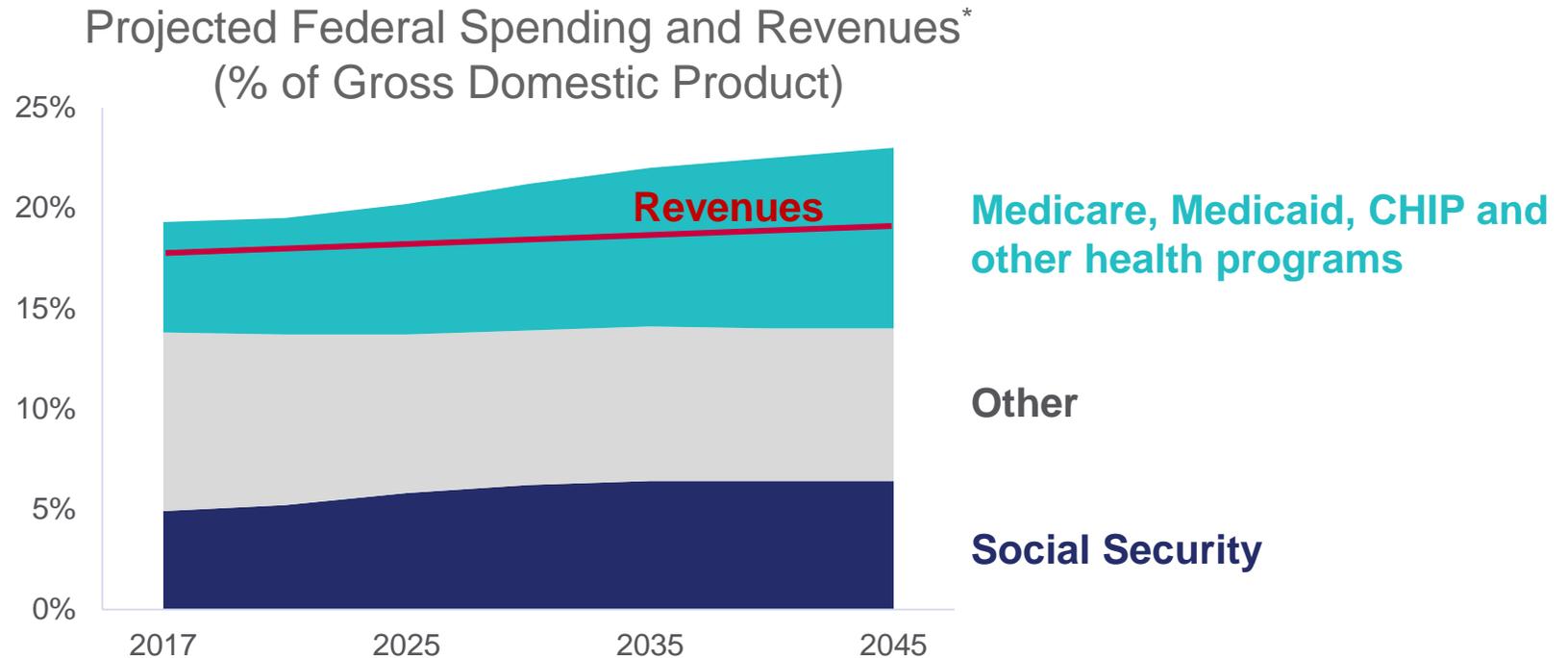
Continued Strong Performance in 2017



¹ Non-GAAP measure; see "Non-GAAP Financial Measures" above for the definition and Appendix A below for reconciliation to GAAP. GAAP revenues in Q4 2016 and Q4 2017 were \$88.0M and \$113.8M, respectively. GAAP revenues in 2016 and 2017 were \$254.2M and \$435.0M, respectively.

² Non-GAAP measure; see "Non-GAAP Financial Measures" above for the definition and Appendix B below for reconciliation to GAAP. Net income (loss) attributable to Evolent Health, Inc. in Q4 2016 and Q4 2017 was \$(17.4)M and \$(13.2)M, respectively. Net income (loss) attributable to Evolent Health, Inc. in 2016 and 2017 was \$(159.7)M and \$(60.7)M, respectively.

Mounting Cost Pressure as Health Care Spending Growth Remains Untenable



PAYER RESPONSES TO COST PRESSURES:

Radically Cut Rates

or

Value-Based Care

* Source: Congressional Budget Office, Long Term Budget Outlook, March 30, 2017.

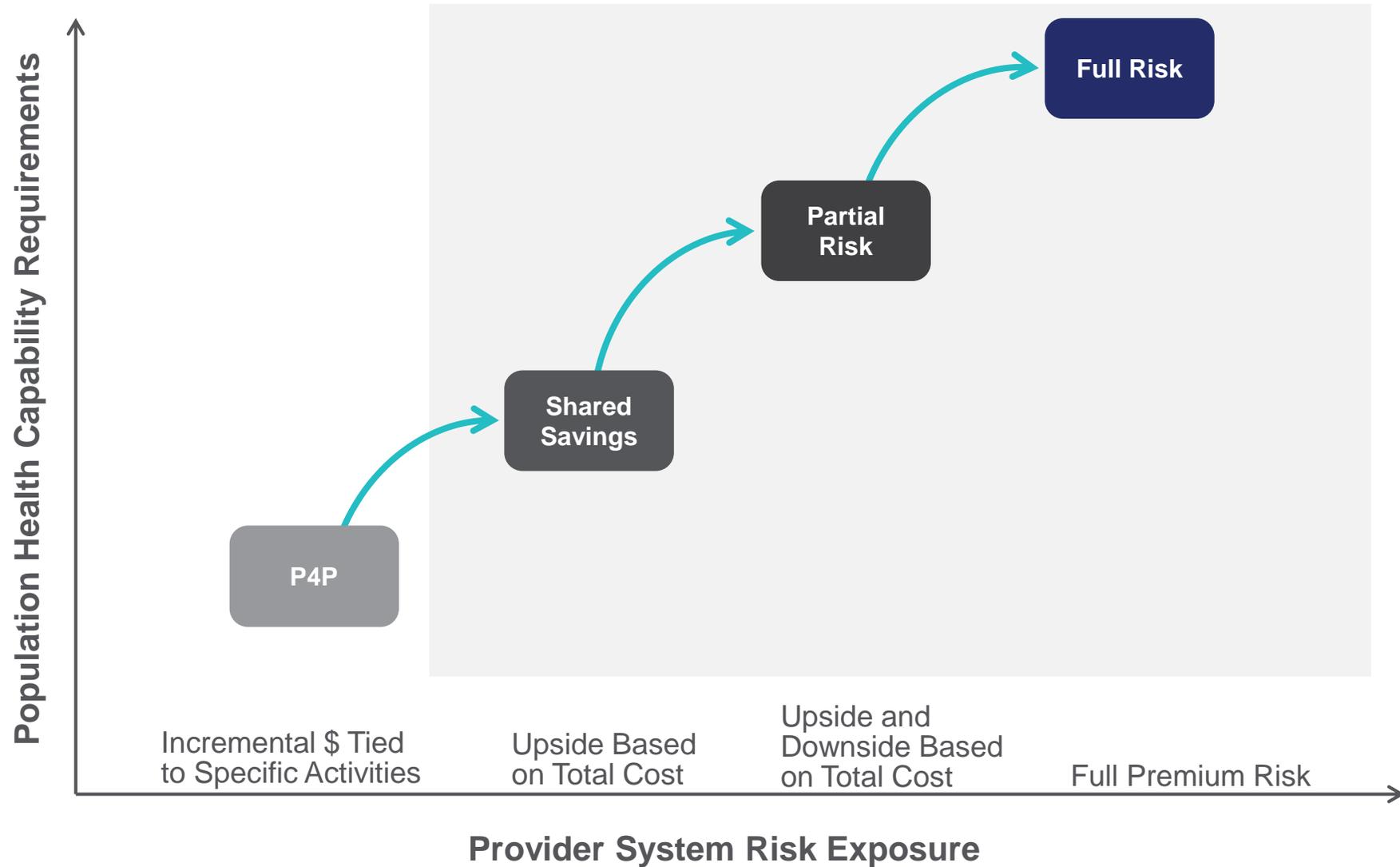
Large Market in Early Stages Across Multiple Segments

	MEDICARE	MEDICAID	COMMERCIAL
Size	\$670B+ in 2016 ¹	\$565B+ in 2016 ¹	\$1.1T in 2016 ¹
Dynamics	<ul style="list-style-type: none"> • CMS reducing FFS payments • MACRA / MIPS • Delegated ACO risk • Dramatic MA enrollment growth² 	<ul style="list-style-type: none"> • Increasing state budget pressure • Movement to provider-driven managed Medicaid • ABD population unmanaged • Waivers encouraging innovation 	<ul style="list-style-type: none"> • Increasing rate pressure • Early in migration to value • Narrow networks emerging in multiple regions • Payer delegated risk

\$45B+ Total Addressable Market by 2020

1) "NHE-Fact-Sheet." CMS.gov Centers for Medicare & Medicaid Services, Centers for Medicare and Medicaid Services, 6 Dec. 2017, www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html. 2) 10, 2017 Oct. "Medicare Advantage." The Henry J. Kaiser Family Foundation, Kaiser Family Foundation, 10 Oct. 2017, www.kff.org/medicare/fact-sheet/medicare-advantage/.

Provider Evolution Toward Risk



Supporting Partners with an Integrated Value-Based Platform



CLINICAL PLATFORM

Care Management

Predictive Modeling

Patient Identification / Engagement

Utilization Management



ADMINISTRATIVE PLATFORM

Health Plan Administration

Risk Adjustment

Pharmacy Benefit Management

Analytics & Performance Management



TECHNOLOGY PLATFORM

Risk Stratification

Clinical, Financial, Admin Workflows

Patient Engagement Tools

Provider Engagement Tools

PAY FOR
PERFORMANCE

PARTIAL RISK

FULL RISK

	PAY FOR PERFORMANCE	PARTIAL RISK	FULL RISK
CLINICAL PLATFORM			
Care Management		●	●
Predictive Modeling	●	●	●
Patient Identification / Engagement	●	●	●
Utilization Management			●
ADMINISTRATIVE PLATFORM			
Health Plan Administration			●
Risk Adjustment		●	●
Pharmacy Benefit Management		●	●
Analytics & Performance Management			●
TECHNOLOGY PLATFORM			
Risk Stratification		●	●
Clinical, Financial, Admin Workflows	●	●	●
Patient Engagement Tools			●
Provider Engagement Tools		●	●

Delivering Results Across All Partner Strategies

CLINICAL RESULTS

Newly launched ACO achieves clinical impact through Complex Care program¹

▼ **48%** Medical Spend (PMPM)

▼ **66%** Inpatient Admissions

MA partner achieves clinical impact through hospital Transition Care program²

▼ **50%** 30-day readmission rates

▼ **31%** Average length of stay of 30-day readmission

FINANCIAL RESULTS

Partner delivers **~\$20M** in cost reductions under shared savings program

Full risk partner achieves MLR / ALR reduction impact representing **\$100M+** in identified annualized savings³

1) Study period varies by partner analysis. Baseline period for clinical and utilization profile: 12 months prior to Complex Care case creation. Cases were excluded based on program length and closure status. Persons who declined participation were also excluded. Cases and controls were matched on demographics, socioeconomic status, health risk (i.e., CCI), inpatient case mix, 12 month prior healthcare use and spend using a propensity score model. Total annual cost savings are based on a cost savings per engaged case, using a difference-in-difference evaluation methodology, applied to the total number of engaged patients who met the case definition in a 9 month period (to account for lag in savings realization). 2) Transition Care cases created 1-Jan-15 to 30-Apr-17. Acute IP discharges based on claims incurred through May 2017, paid through August 2017. Exclusions applied for discharges for death, those with a principle diagnosis of pregnancy, or those with a condition originating in the perinatal period. Persons that declined participation or were inappropriate for program were also excluded. Cases and controls were matched on demographics, health risk (i.e., CCI), inpatient case mix and 12 month prior healthcare use and spend using a propensity score model. 3) Approximate annualized savings for all initiatives implemented in 2016 and 2017.

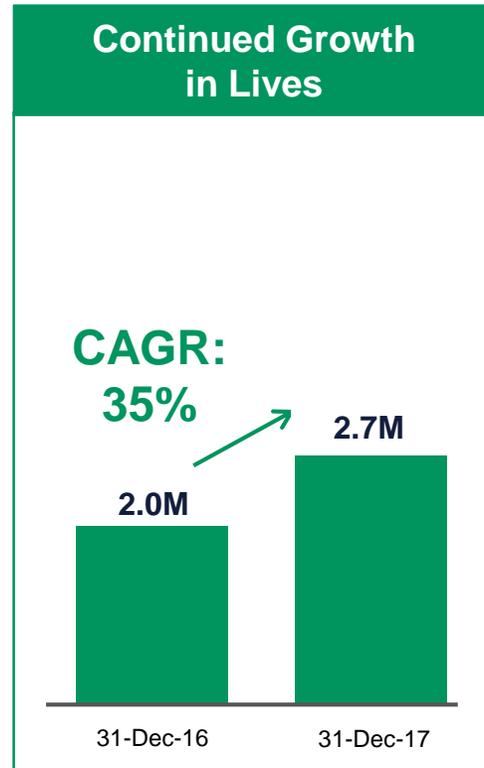
Evolut is Active Across all Segments of the Growing Market

30+

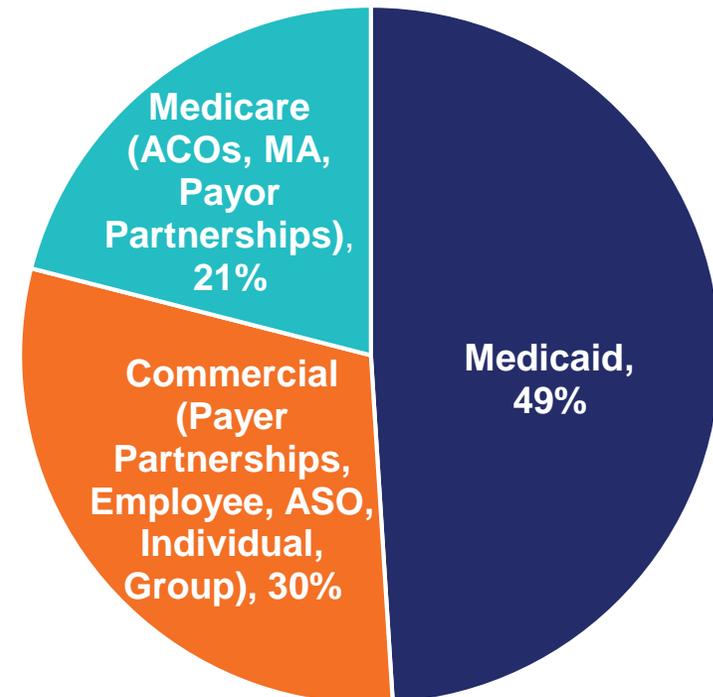
partners as of 31-Dec-17

2.7M+

Lives supported



Lives by Segment as of 31-Dec-17



Strong Recent Partner Additions

MEDICARE



MEDICAID



COMMERCIAL



FINANCIAL DISCUSSION

Financial Highlights



Strong Consistent Growth

- Large addressable market
- Growth through expansion in existing and new markets



Recurring Revenue Model with High Visibility

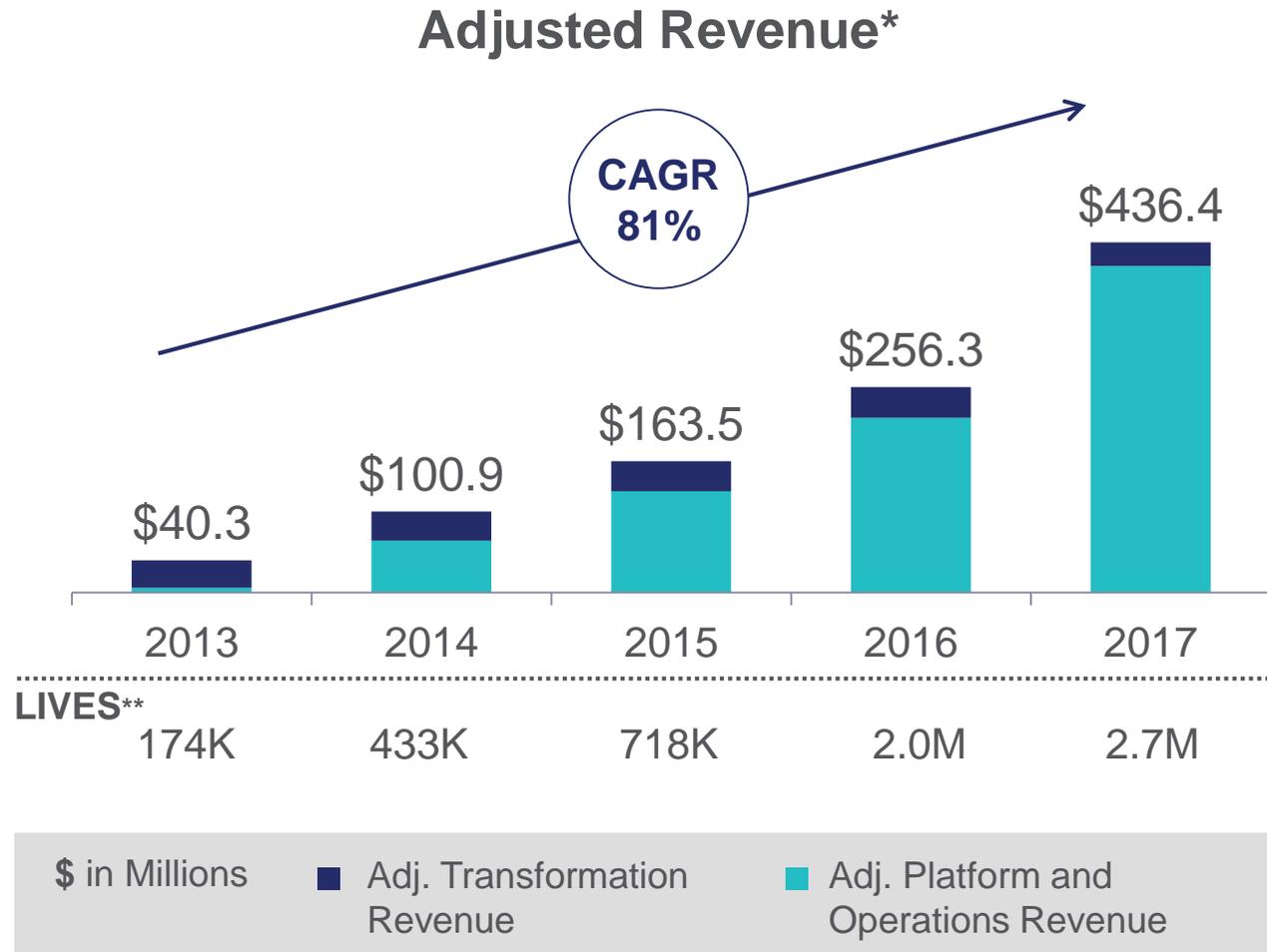
- Per Member Per Month (PMPM) contracts
- Long-term service agreements



Scalable Model

- Scalable platform leveraging existing infrastructure
- High margin flow-through on incremental lives added to platform

Strong Topline Results

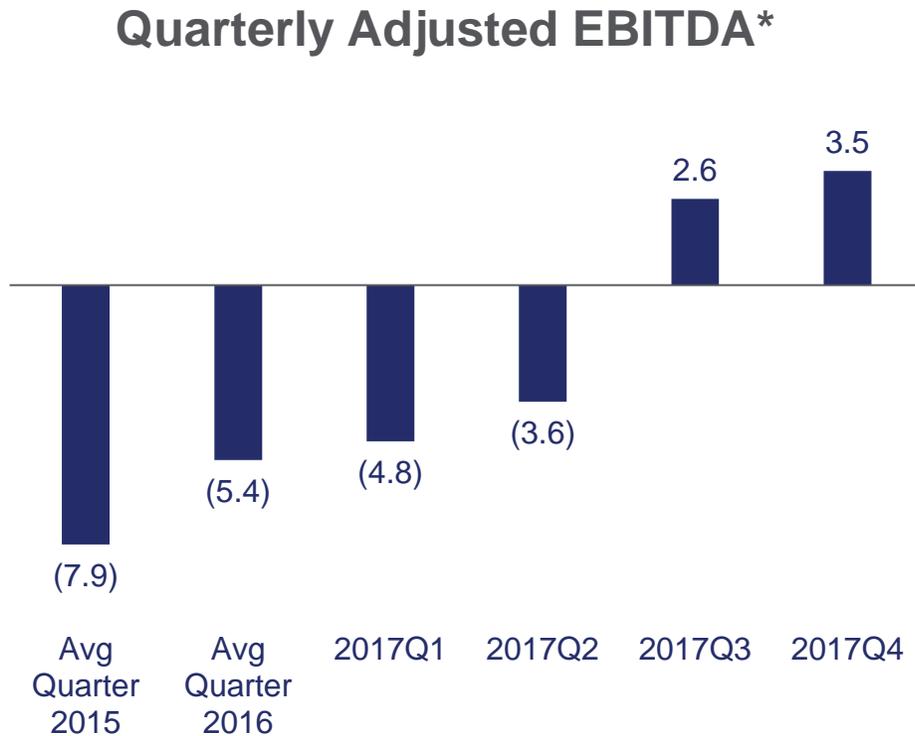


HOW WE MAKE MONEY

- PMPM model under long-term contracts
- PMPM is typically 2-5% of Providers' PMPM
- Q4 2017 2.7M lives and PMPM of \$13.30
- Adj. Revenue Mix¹:
 - Approx. 90% of revenue under services-only PMPM
 - Approx. 10% in performance-based arrangements

¹ Non-GAAP measure, see "Non-GAAP Financial Measures" above for definition and Appendix A below for reconciliation to GAAP. GAAP revenues in 2013, 2014, 2015, 2016 and 2017 \$25.7M, zero, \$96.9M, \$254.2M and \$435.0M respectively.

Delivering Bottom Line Performance



**Path to
profitability driven
by leveraging the
platform through
life growth**

*Non-GAAP measure, see "Non-GAAP Financial Measures" above for definition and Appendix B for reconciliation to GAAP. Net income (loss) attributable to Evolent Health, Inc. for Q1-Q4 2015 was (\$11.3 million), \$359.9 million, (\$12.0 million) and (\$4.1 million). Net income (loss) attributable to Evolent Health, Inc. for Q1-Q4 2016 was (\$122.7 million), (\$8.4 million), (\$11.2 million) and (\$17.4 million). Net income (loss) attributable to Evolent Health, Inc. for Q1-Q3 2017 was (\$18.0 million), (\$16.9 million) and (\$12.6 million).

Capital Strategy

Aim to Deploy Capital Across 2018-2019 Toward Strategic M&A and Co-Investment with Partners

STRATEGIC M&A GOALS

- Enhance capabilities / performance
- Improve margins through scale and in-sourcing services
- Cross-sell opportunity
- Market leadership



accordion  health

CO-INVESTMENT STRATEGY GOALS

- Catalyze attractive markets
- Improve deal economics and longer-term arrangements
- Enhance clinical and financial alignment
- Capture downstream value creation



Disciplined capital strategy with potential to deliver accretive returns on capital

Co-Investments with Partners

HIGHLY SELECTIVE OPPORTUNITIES...

- ✓ **Catalyze attractive opportunities**
 - Target large, attractive opportunities through combination of capabilities and capital
- ✓ **Partner Selection**
 - Key is to select motivated, high-performance partners, e.g., high-performing IPAs, Tier 1 providers
- ✓ **Extensive Diligence**
 - In-depth diligence of market and opportunity
- ✓ **Utilization of Evolent Platform**
 - Deploy full suite of Evolent capabilities
- ✓ **Shared Governance**
 - Evolent party to key decisions

...WITH ATTRACTIVE ECONOMICS

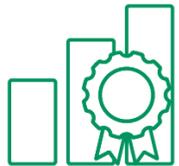
Hypothetical Co-Investment

- ✓ **Modest Investment Per Arrangement**
 - \$10M-\$15M in capital per deal (minority position)
- ✓ **Attractive Economics**
 - Long-term agreements
 - Annual revenue opportunity \$20M+
- ✓ **Compelling Returns**
 - Hurdle rate >20% / annum
 - ROI >4x without terminal value

Investment Highlights



Established **market leading position** with 30+ partner relationships and 2.7M lives as of Dec. 31, 2017



Highly differentiated offering through fully integrated clinical, administrative and technology platform



Attractive business model

- Multiple avenues of organic growth
- Recurring revenue model under long-term arrangements
- Scalable technology and services platform drives long-term margin expansion



Large and growing market; early stages of transition from fee-for-service to value-based care in Medicare, Medicaid and commercial segments

APPENDIX

Appendix A: Non-GAAP Reconciliation Evolent Health, Inc. Adjusted Revenue

For the years ended December 31, 2017, 2016, 2015, 2014 and 2013:

(in millions)

	Evolent Health, Inc. as Reported	Add: Evolent Health LLC Operations	Adjustments	Evolent Health, Inc. as Adjusted
Q4 2017				
Transformation	\$ 5.7	\$ -	\$ -	\$ 5.7
Platform and operations	108.1	-	0.2 ⁽¹⁾	108.3
Total revenue	<u>113.8</u>	<u>-</u>	<u>0.2</u>	<u>114.0</u>
Q4 2016				
Transformation	\$ 12.1	\$ -	\$ -	\$ 12.1
Platform and operations	75.9	-	2.0 ⁽¹⁾	77.9
Total revenue	<u>88.0</u>	<u>-</u>	<u>2.0</u>	<u>90.0</u>
2017				
Transformation	\$ 29.5	\$ -	\$ -	\$ 29.5
Platform and operations	405.5	-	1.4 ⁽²⁾	406.9
Total revenue	<u>435.0</u>	<u>-</u>	<u>1.4</u>	<u>436.4</u>
2016				
Transformation	\$ 38.3	\$ -	\$ 0.1 ⁽³⁾	\$ 38.4
Platform and operations	215.9	-	2.0 ⁽³⁾	217.9
Total revenue	<u>254.2</u>	<u>-</u>	<u>2.1</u>	<u>256.3</u>
2015				
Transformation	\$ 19.9	\$ 15.8 ⁽⁴⁾	\$ 1.5 ⁽³⁾	\$ 37.2
Platform and operations	77.0	46.0 ⁽⁴⁾	3.3 ⁽³⁾	126.3
Total revenue	<u>96.9</u>	<u>61.8</u>	<u>4.8</u>	<u>163.5</u>
2014				
Transformation	\$ -	\$ 36.3 ⁽⁵⁾	\$ -	\$ 36.3
Platform and operations	-	64.6 ⁽⁵⁾	-	64.6
Total revenue	<u>\$ -</u>	<u>\$ 100.9</u>	<u>\$ -</u>	<u>\$ 100.9</u>
2013				
Transformation	\$ 22.1	\$ 12.5 ⁽⁶⁾	\$ -	\$ 34.6
Platform and operations	3.6	2.1 ⁽⁶⁾	-	5.7
Total revenue	<u>\$ 25.7</u>	<u>\$ 14.6</u>	<u>\$ -</u>	<u>\$ 40.3</u>

(1) We recorded deferred revenue adjustments of approximately \$0.2 million and \$2.0 million to transformation revenue and platform and operations revenue for the three months ended December 31, 2017 and 2016, respectively, resulting from our acquisitions and business combinations.

(2) Adjustments to platform and operations revenue include deferred revenue purchase accounting adjustments of approximately \$1.5 million for the year ended December 31, 2017, resulting from our acquisitions and business combinations.

(3) We recorded deferred revenue adjustments of approximately \$2.0 million to transformation revenue and platform and operations revenue during 2016, related to purchase accounting adjustments from the Valence Health and Aldera acquisitions. As part of the Reorganization and as a result of gaining control of Evolent Health LLC, we recorded the fair value of deferred revenue resulting in a \$4.9 million reduction to the book value. This resulted in adjustments of approximately \$0.1 million and \$4.8 million to transformation revenue and platform and operations revenue for the years ended December 31, 2016 and 2015, respectively, related to purchase accounting adjustments which reflect the portion of the adjustment that would have been recognized in the respective period.

(4) Represents the results of operations of Evolent Health LLC for the period January 1, 2015, through June 3, 2015.

(5) Represents the results of operations of Evolent Health LLC for the period January 1, 2014, through December 31, 2014.

(6) Represents the results of operations of Evolent Health LLC for the period September 23, 2013, through December 31, 2013.

Appendix B: Reconciliation of Adjusted EBITDA to Net Income (Loss) Attributable to Evolent Health, Inc.

(in thousands)

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2017	2016	2017	2016
Net Income (Loss) Attributable to Evolent Health, Inc.	\$ (13,160)	\$ (17,407)	\$ (60,665)	\$ (159,742)
Less:				
Interest income	843	164	1,656	970
Interest expense	(855)	(247)	(3,636)	(247)
(Provision) benefit for income taxes	4,628	9,140	6,637	10,755
Depreciation and amortization expenses	(11,132)	(6,495)	(32,368)	(17,224)
EBITDA	<u>(6,644)</u>	<u>(19,969)</u>	<u>(32,954)</u>	<u>(153,996)</u>
Less:				
Goodwill impairment	-	-	-	(160,600)
Income (loss) from affiliates	(309)	(379)	(1,755)	(841)
Gain (Loss) on change in fair value of contingent consideration	(100)	2,086	(400)	2,086
Loss on lease abandonment	-	(6,456)	-	(6,456)
Impact of lease termination	-	-	496	-
Other income (expense), net	150	2	171	4
Net (income) loss attributable to non-controlling interests	631	7,786	9,102	67,036
Purchase accounting adjustments	(243)	(2,003)	(1,467)	(2,090)
Stock-based compensation expense	(4,265)	(8,657)	(20,437)	(22,501)
Transaction costs	(5,991)	(4,599)	(16,460)	(9,227)
Adjusted EBITDA	<u>\$ 3,483</u>	<u>\$ (7,749)</u>	<u>\$ (2,204)</u>	<u>\$ (21,407)</u>
Adjusted Revenue	\$ 113,972	\$ 90,014	\$ 436,417	\$ 256,278
Adjusted EBITDA Margin	3.1%	-8.6%	-0.5%	-8.4%

Appendix C: Guidance Reconciliation

(in thousands)	For the Three Months Ended March 31, 2018	For the Twelve Months Ended December 31, 2018
Services Revenue	\$ 121,000	\$ 495,500
Purchase Accounting Adjustments	2,000	7,000
Adjusted Services Revenue	123,000	502,500
True Health Premium Revenue	23,000	92,500
Intercompany eliminations	(5,000)	(20,000)
Adjusted Revenue ⁽¹⁾	\$ 141,000	\$ 575,000
Net Income (Loss) Attributable to Evolent Health, Inc.	\$ (11,800)	\$ (43,000)
Less:		
Interest income	900	3,500
Interest expense	(1,000)	(4,000)
Depreciation and amortization expenses	(9,200)	(37,000)
EBITDA	(2,500)	(5,500)
Less:		
Income (loss) from equity affiliates	(125)	(500)
Net (income) loss attributable to non-controlling interests	(375)	(1,500)
Stock-based compensation expense	(5,000)	(20,000)
Transaction costs	(1,000)	(4,000)
Adjusted EBITDA	\$ 4,000	\$ 20,500

(1) GAAP revenues for the three months ended March 31, 2018, are expected to be \$139.0 million, including Services Revenue of \$121.0 million and True Health Premium Revenue of \$23.0 million, excluding intercompany eliminations of \$5.0 million. GAAP revenues for the twelve months ended December 31, 2018, are expected to be \$568.0 million, including Services Revenue of \$495.5 million and True Health Premium Revenue of \$92.5 million, excluding intercompany eliminations of \$20.0 million.



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