



Oak Street Health

William Blair Growth Stock Conference

June 8, 2022



**OAK
STREET
HEALTH**

Disclaimer

This presentation contains forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. All statements other than statements of historical facts contained in this presentation, including information concerning our possible or assumed future results of operations and expenses, business strategies and plans, competitive position, business and industry environment (including the effect of the COVID-19 pandemic) and potential growth opportunities, are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those set out under “Risk Factors” in our annual report on form 10-K. Given these uncertainties, you should not place undue reliance on any forward-looking statements in this presentation. Except as required by law, we disclaim any obligation to update any forward-looking statements for any reason after the date of this presentation, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as the Company's own estimates and research. The Company's estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and the Company's knowledge of its industry, which the Company believes to be reasonable. The independent industry publications used in this presentation were not prepared on the Company's behalf. While the Company is not aware of any misstatements regarding any information in this presentation, forecasts, assumptions, expectations, beliefs, estimates and projects involve risk and uncertainties and are subject to change based on various factors.

This presentation includes Platform Contribution and Adjusted EBITDA figures. These are non-GAAP figures and are not prepared in accordance with, and are not an alternative for metrics prepared in accordance with, generally accepted accounting principles and may be different from similar statistics used by other companies. Please refer to the definition of Platform Contribution and Adjusted EBITDA included in this presentation and to the reconciliation of Platform Contribution and Adjusted EBITDA to net loss included in the Appendix to this presentation.

Investment highlights



1

Critical need for improved primary care models for older adults

2

Large market opportunity for those able to provide higher quality care and an improved patient experience at lower cost

3

Differentiated compared to legacy primary care groups as well as small but growing group of value-based care providers

4

Nationally scalable model with systematic approach to new market development

5

Opportunity to continue to leverage increased scale and investment to further improve results and widen differentiation

6

Highly predictable unit economics continue to drive compelling financial model

7

Leading to a transformative organization that will move the needle for older adults

Introduction to Oak Street Health



We are...

A patient-centric network of primary care centers for Medicare-eligible patients

140

Oak Street owned and operated centers

We leverage...

The Oak Street Health platform to provide comprehensive care for our patient population

20

States currently covered

We improve...

Experiences and outcomes for our patients

~124k

At-risk patients receiving our care

We reduce...

Hospitalizations by over 50% and retain the savings generated by our care model

\$514m

2022 first quarter revenue, 73% annual revenue growth

~5,200

Team members, all aligned with our mission & vision, including ~500 primary care providers


Note: data as of 3/31/2022

Problems with the U.S. healthcare system are well-documented

**Expensive** ^{1,2}

\$4.1 tn
US annual healthcare spend

+267%
US per-capita healthcare spend vs
OECD average

**Poor Outcomes** ¹

-2 years
US life expectancy vs OECD average

+52%
US diabetes hospital admits vs OECD
average

**Negative Experience** ^{3,4}

>40%
US Physician Burnout rate

-1.2
Average Net Promoter Score for
primary care physicians








High costs and poor outcomes are concentrated in older adults, who tend to be the sickest patients. Today, 96% of Medicare spend relates to chronic disease²

1. Source: OECD
2. Source: Centers for Medicare and Medicaid Services (CMS.gov) 2020 data
3. Source: Medscape National Physician Burnout and Suicide Report

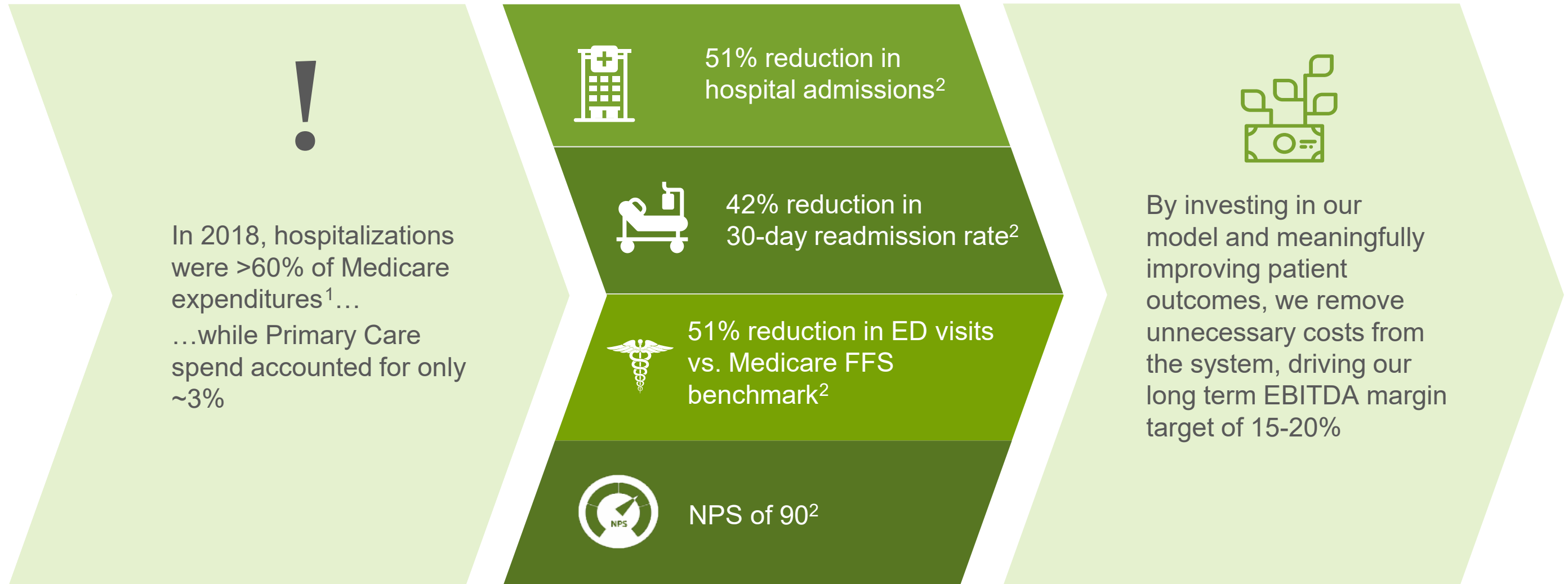
4. Source: The Advisory Board, 2019
Note: All OECD comparisons are from 2019 or earlier to remove any uneven impact of COVID-19

Oak Street Health is rebuilding healthcare as it should be

Challenges in Primary Care Settings		Fee For Service	Oak Street Health
	Not enough time with patients	2,000+ Avg doctor panel ¹	~500 Patient panel
	No patient specialization	Accepts all ages	Medicare-eligibles focused
	No non-facing patient time	No time to plan for care outside the exam room	>1/3 Provider time used to coordinate care, close care gaps, & proactively plan
	No support beyond primary care	Minimal focus on social determinants of health	Behavioral health, pharmacy, home-based support, well-being programs, & social worker assistance
	Limited technology integration	Limited EMR use focused on billing & record-keeping; no time to engage with population health overlays	4 hrs/day Average time that clinical staff use Canopy, our proprietary tech platform, optimized to run the Oak Street care model

1. Source: Journal of General Internal Medicine

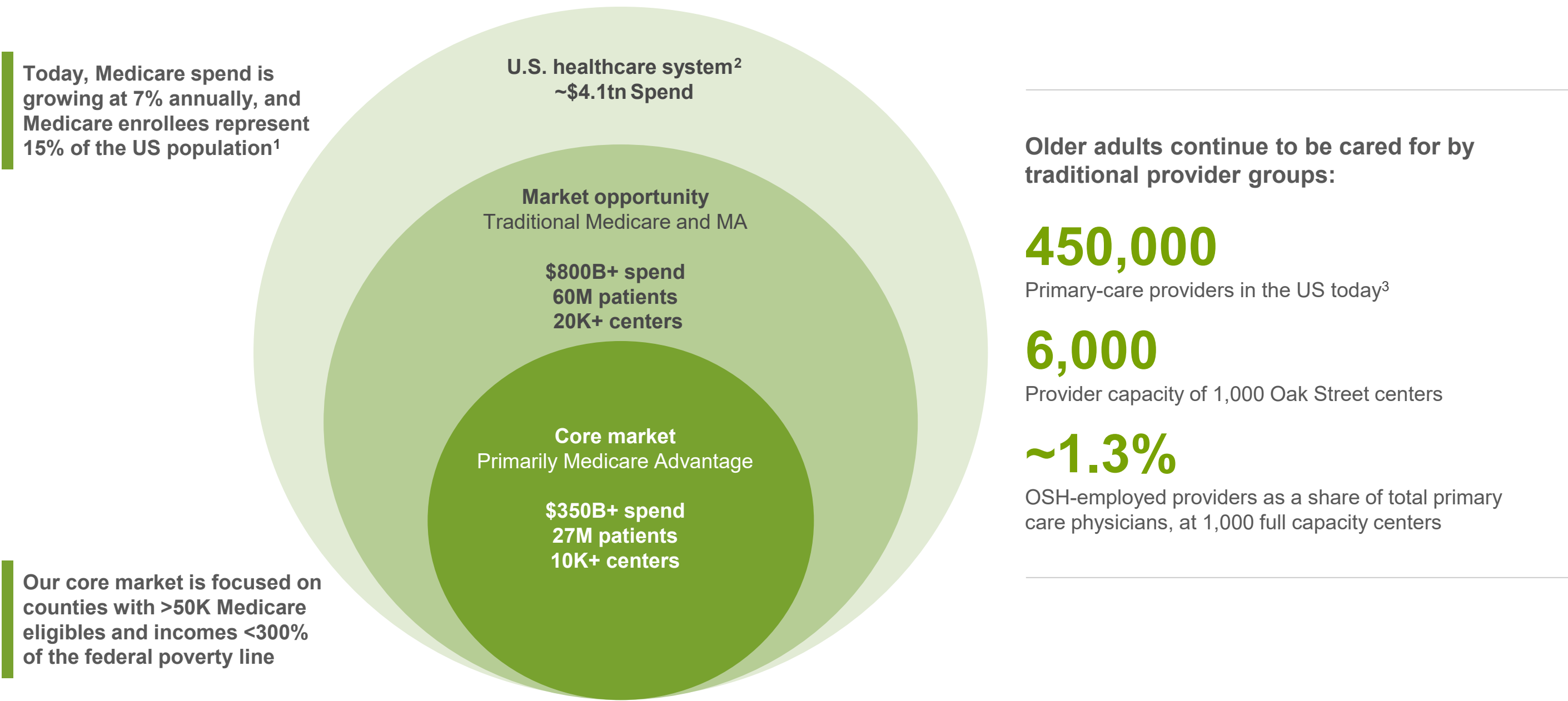
Value-Based Care allows for critical investment in primary care



Oak Street Health has demonstrated improved quality and lower cost across plan types (HMO, PPO, Open Access, SNP, MMP) and programs (MA, MSSP, DC and Medicaid)

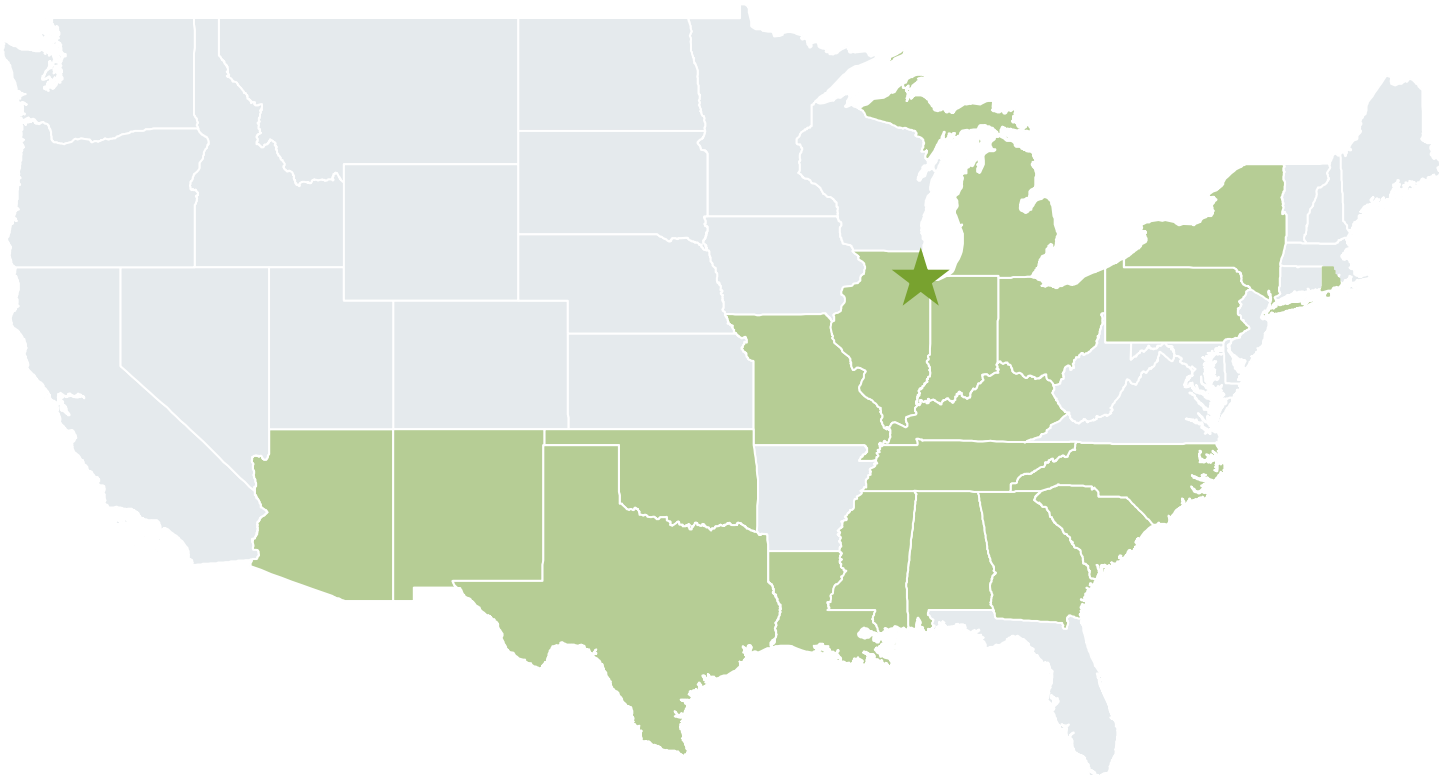
1. Source: CMS and Kaiser Family Foundation
2. Please see our S1, filed 2/8/2021, for information on how these statistics are calculated

Market opportunity for Oak Street Health remains large



1. Centers for Medicare and Medicaid
2. Market figures based on 2020 Medicare beneficiary data from CMS, Centers for Medicare and Medicaid; American Community Survey (US Census); Congressional Budget Office
3. US provider figures from American Association of Nurse Practitioners and American Medical Association

Oak Street Health has a proven track record of growth and plans to continue its national expansion

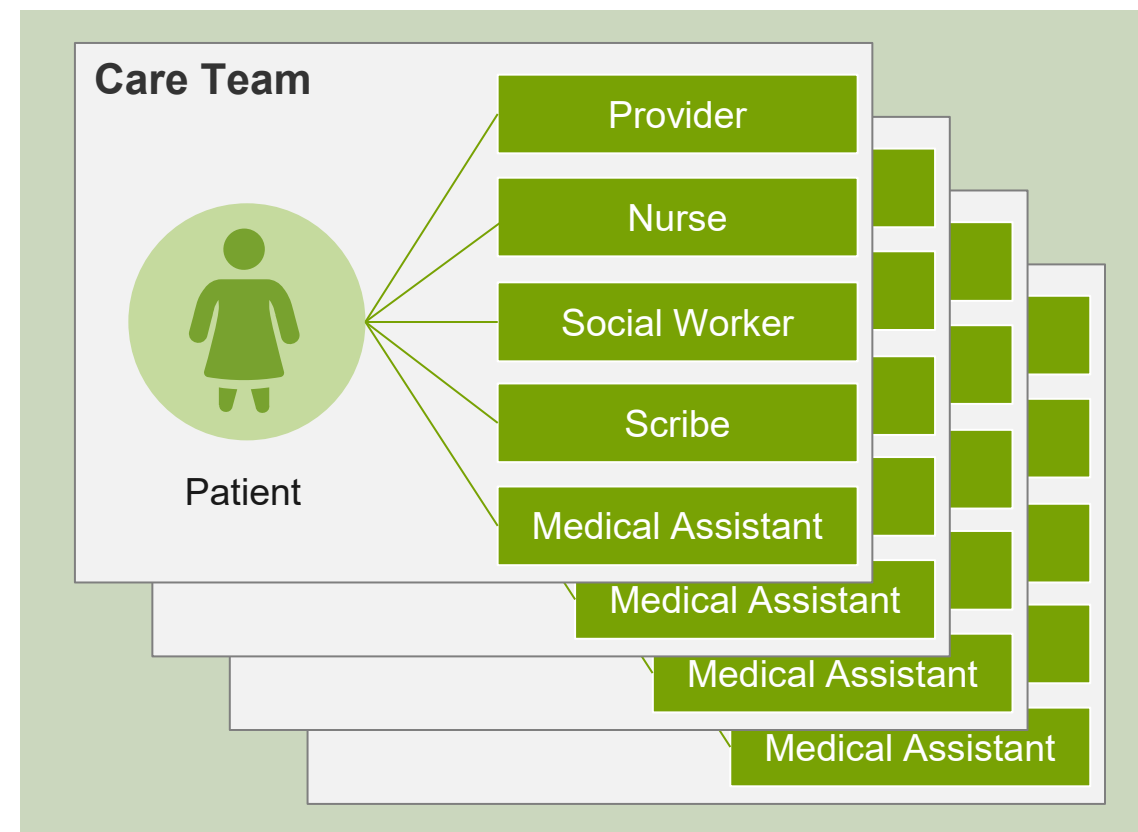


National and Local Payor Relationships



(FYE Dec.)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022G
New Centers	2	5	8	4	5	15	12	28	50	40
Centers	2	7	15	19	24	39	51	79	129	169
States	1	1	2	3	3	5	7	11	19	21

Every center follows a standard design and layout with a standard team structure that easily scales



- ✓ **Consistent look and feel** builds brand awareness
- ✓ Average center has **capacity for 6 care teams**
- ✓ **~1,000 sf of community space** in every center

Patient-oriented go-to-market model delivers consistent results and sustained differentiation



Community Outreach



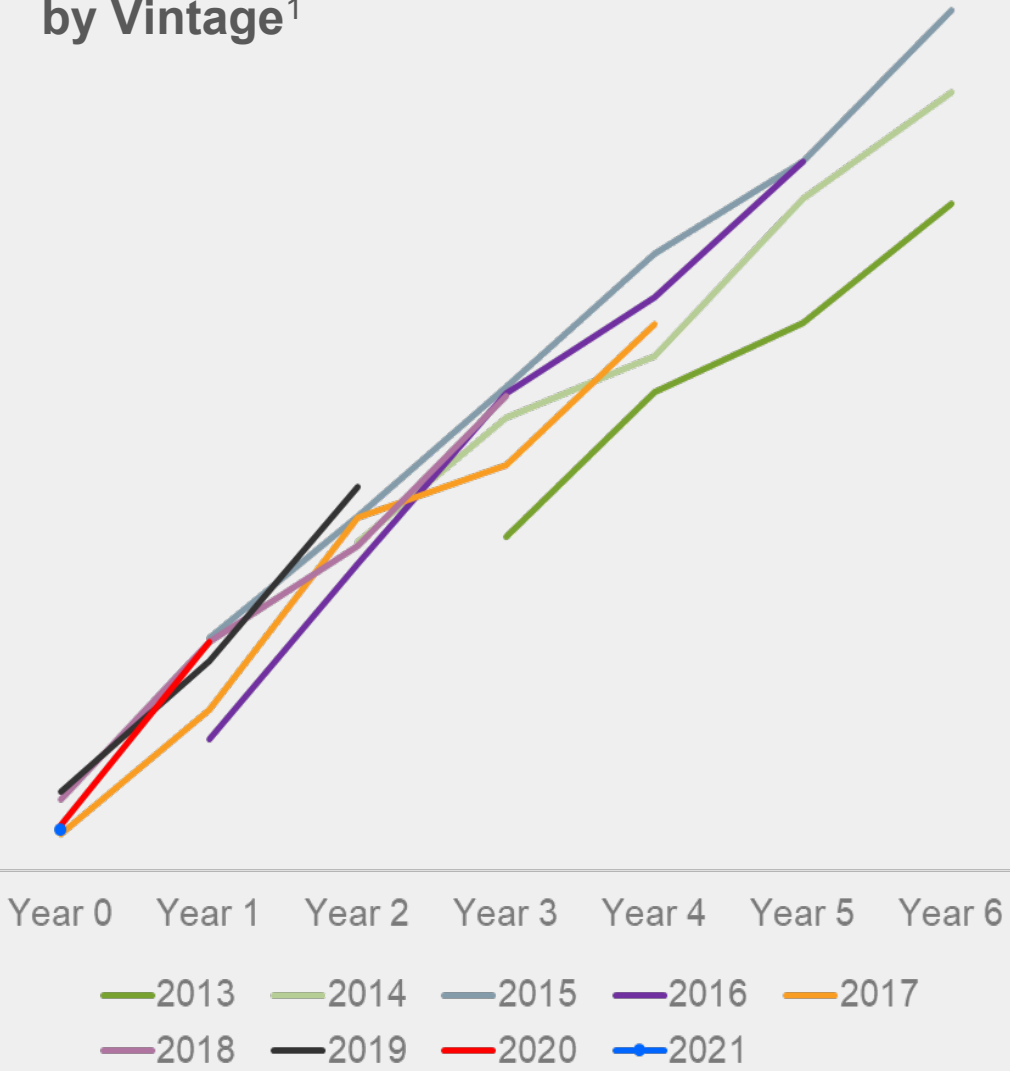
Central Marketing Channels

Oak Street Health Brand



OAK
STREET
HEALTH

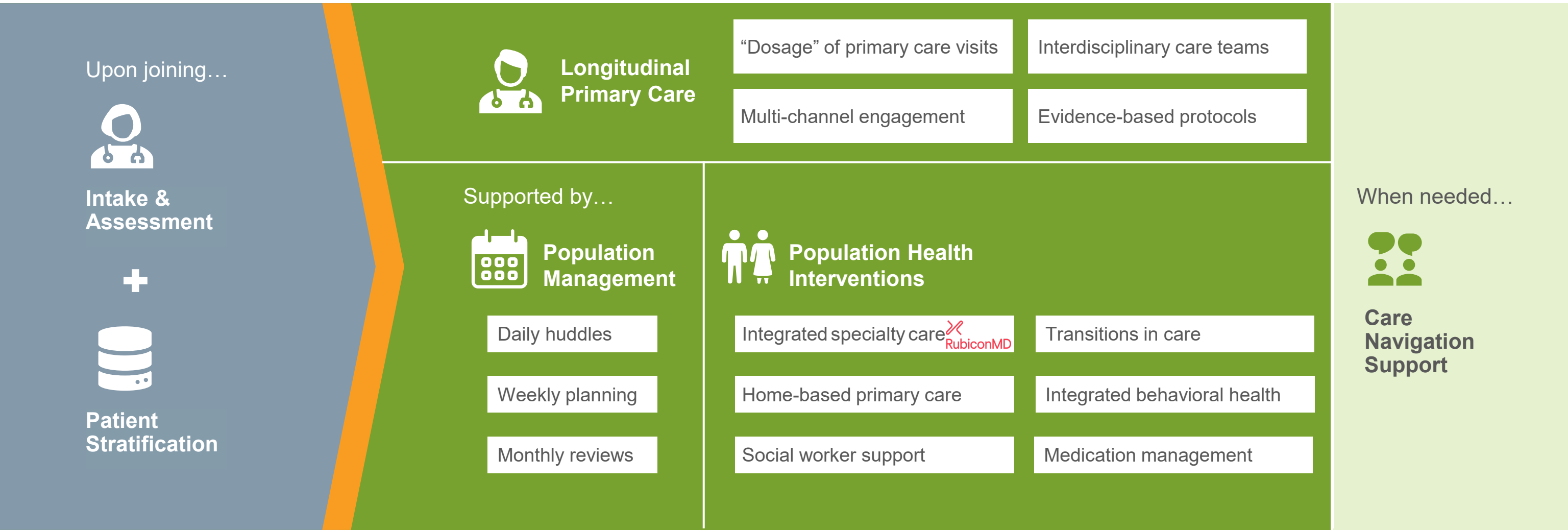
At-Risk Patients per Center at Year End by Vintage¹



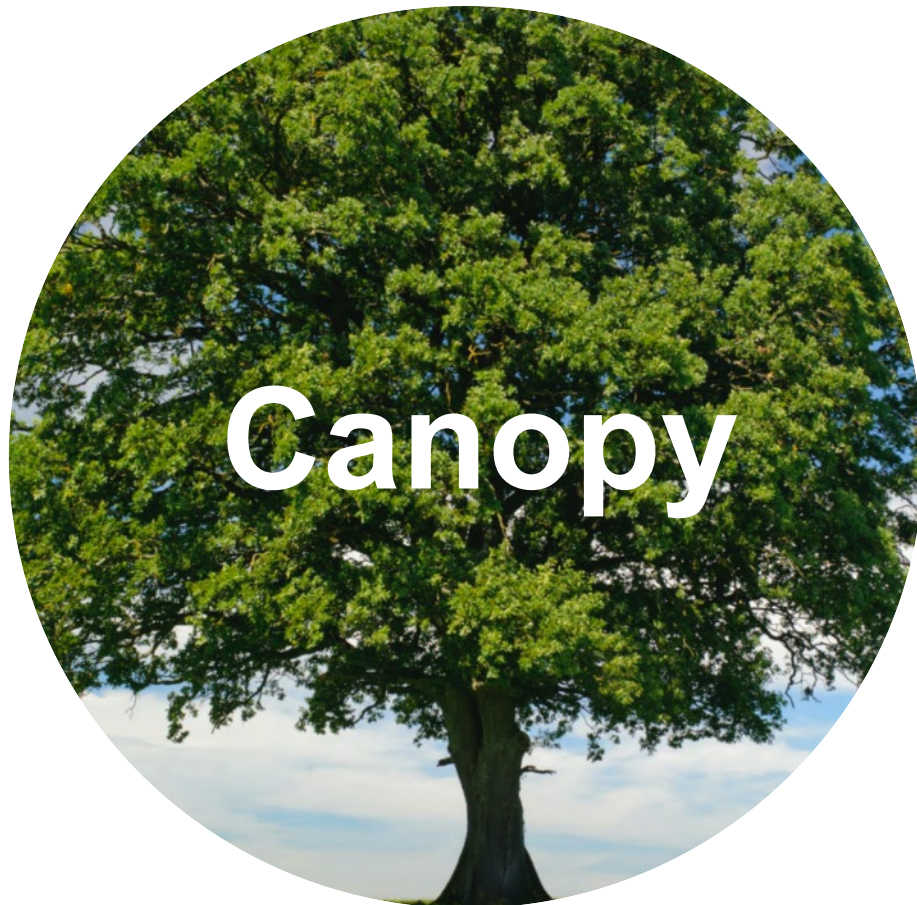
1. Data for at-risk patients only; OSH began taking risk in 2016

Our care model leverages a deep understanding of our patients, leading to coordinated and holistic support

Oak Street Health Care Model



Our care model is powered by Canopy, our end-to-end technology solution



Ability to access & ingest data from across the healthcare system



Data science and analytics capabilities



Insights at point of care - our application suite drives workflows across healthcare settings

All three aspects, working in concert, lead to our differentiated results

Consistent and powerful unit economics highlight de novo growth strategy

Care model execution and center growth expected to drive strong 2022 center-level economics

Unknowns from potential headwinds compared to prior years create a range for 2022E center level economics

- High end: 2019 new patient economics & no explicit COVID costs
- Low end: 2021E new patient economics & 2021E level COVID costs

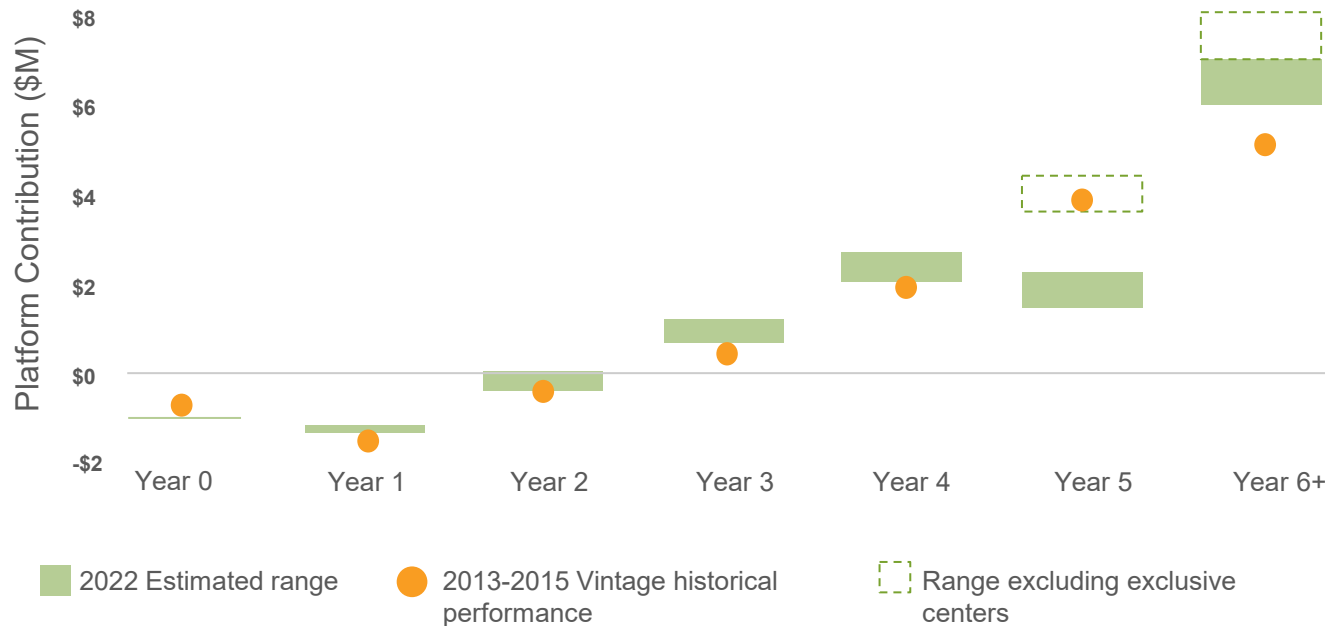
Most “mature” centers are expected to generate significant platform contribution in 2022 (figures reflect midpoint of range):

- 19 oldest centers (year 6+): \$6.6M each (~45% growth vs 2020)
- 10 most scaled centers: \$8.0M each (~35% growth vs 2020)
- Both cohorts will continue to grow (2022E % capacity of 66% and ~75%, respectively), creating contribution upside in future years

Majority of our lagging centers in vintage year 5 and beyond are a result of those centers being initially exclusive with one payer, which historically restricted patient growth

- We have no exclusive centers today and do not plan to open more

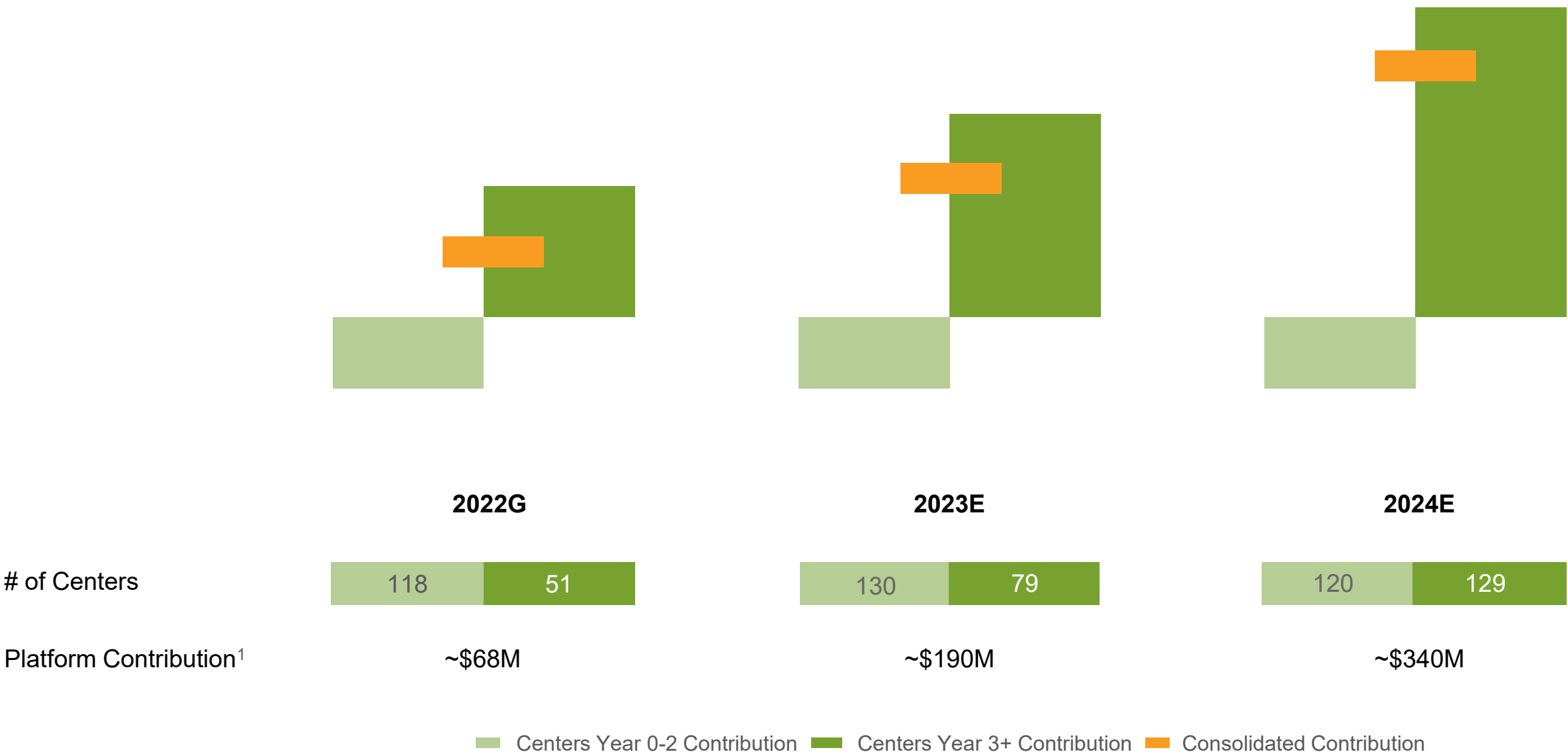
2022E Cohort performance vs 2013-2015 historical performance



2022E Platform Contribution ¹ Range by Vintage Year (\$M)							
Year	0	1	2	3	4	5	6+
High	(\$0.9)	(\$1.1)	\$0.0	\$1.3	\$2.8	\$2.3	\$7.1
Low	(\$0.9)	(\$1.3)	(\$0.5)	\$0.7	\$2.1	\$1.5	\$6.1

1. Platform contribution defined as total revenues less the sum of (i) medical claims expense and (ii) cost of care, excluding depreciation and amortization

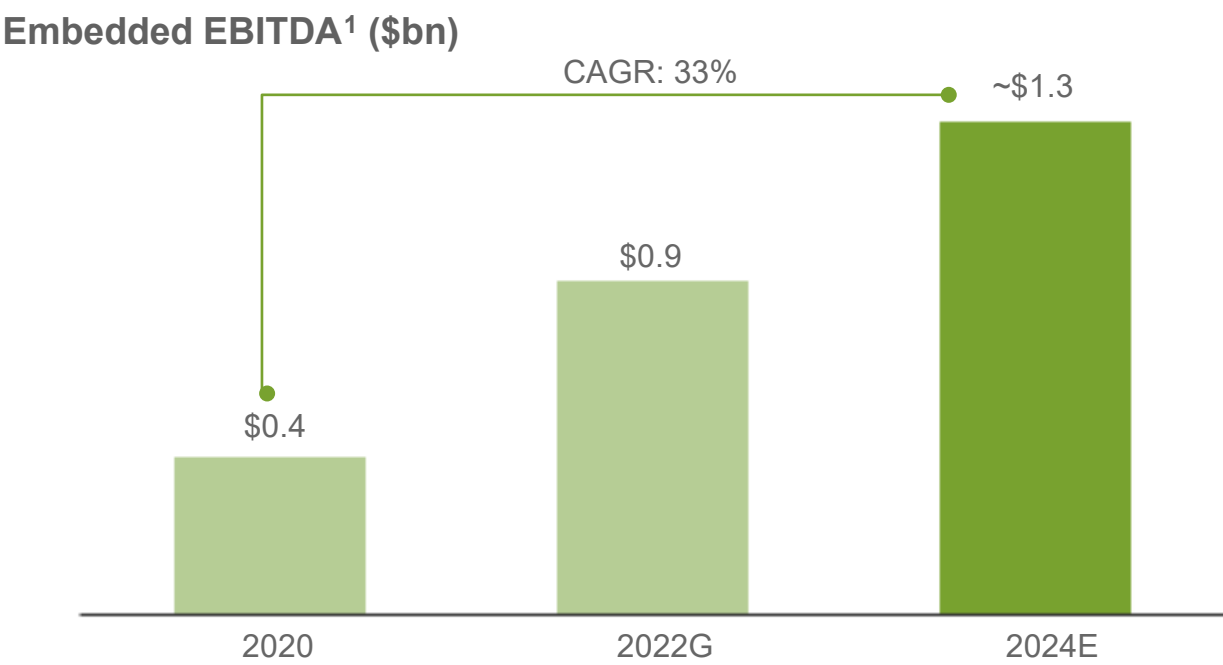
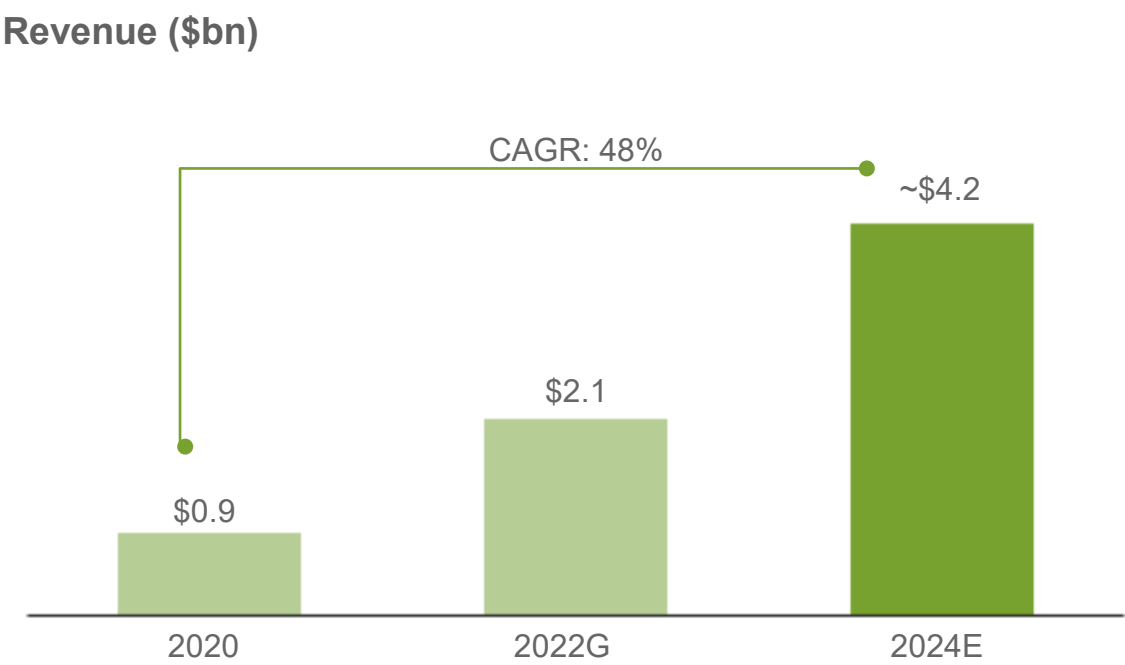
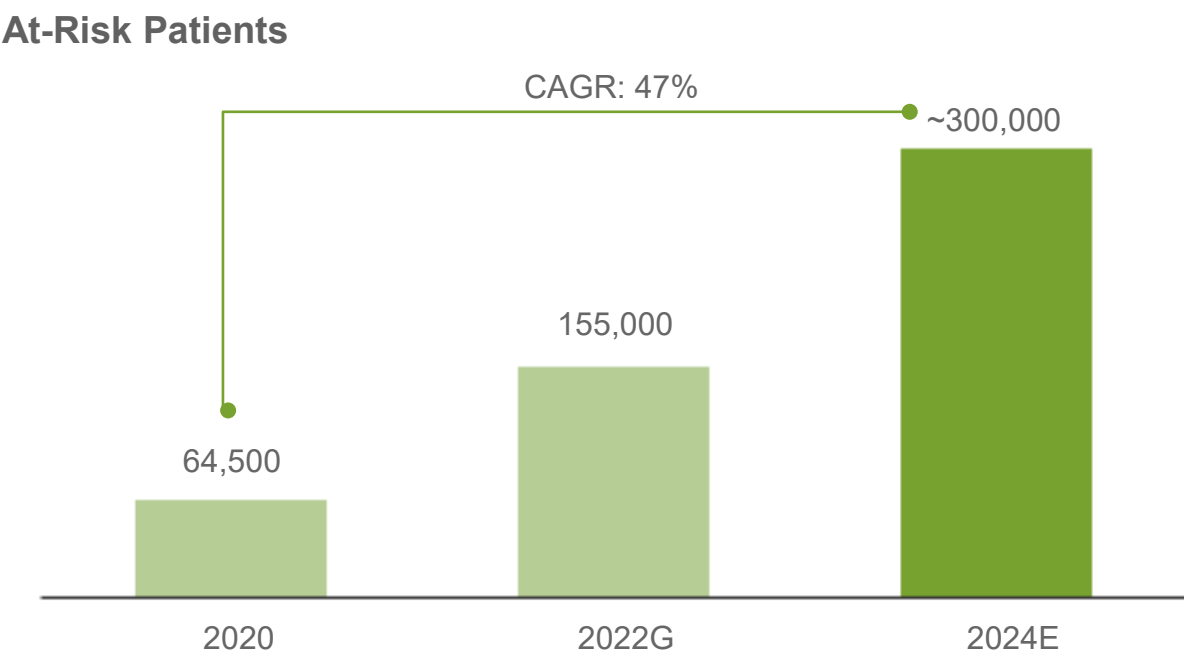
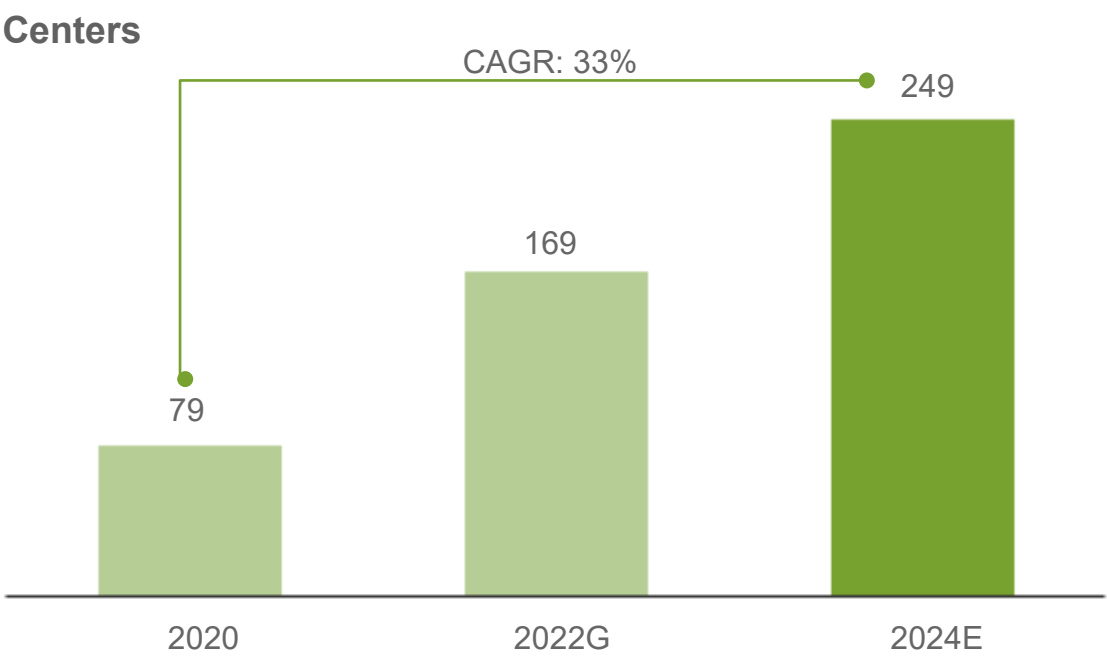
Scaled and ramping centers will drive platform contribution growth¹



Maturing center base combined with steady new center pace drives significant leverage

1. 2022G based on midpoint of guidance range provided 2/28/22 (and reiterated 5/4/22), 2023E and 2024E based on midpoint of unit economics on slide 14 adjusted for exclusive center impact for year 5 centers. Platform contribution defined as total revenues less the sum of (i) medical claims expense and (ii) cost of care, excluding depreciation and amortization

Sustained high growth expected across key drivers



1. Assumes 'mature' platform contribution of \$6.6M as seen on slide 14 of this presentation. Mature overhead costs assumed to be \$125,000 per center per month as shared in our January 10, 2022 presentation

Our model is self-reinforcing



Oak Street Health takeaways

1

Large, unpenetrated market opportunity with huge unmet need

2

A purpose-built care model designed specifically for our patients

3

A data and technology platform (Canopy) that is fully integrated with our operations

4

Consistent and scalable consumer-focused de novo growth strategy

5

Highly replicable unit economic results driven by model components working in concert



Appendix



Non-GAAP reconciliations

\$ in millions

	For the three-months ended	
	March 31, 2022	March 31, 2021
Platform contribution	Loss from operations	(91.1)
	Depreciation and amortization	7.8
	Corporate, general and administrative	88.7
	Sales and marketing	33.8
	Stock-based compensation	0.6
	Platform contribution	39.8
		37.0
	For the three-months ended	
	March 31, 2022	March 31, 2021
Adjusted EBITDA	Net loss	(96.7)
	Interest expense, net	0.6
	Fair value adjustment to contingent consideration	5.0
	Depreciation and amortization	7.8
	Stock-based compensation	39.4
	Litigation costs	1.0
	Transaction/offering related costs	0.5
	Adjusted EBITDA	(42.4)
		(17.4)

Non-GAAP reconciliations

\$ in millions

	For the twelve-months ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Platform contribution	Loss from operations	(414.0)	(183.5)
	Depreciation and amortization	17.8	11.2
	Corporate, general and administrative	306.7	185.6
	Sales and marketing	119.4	64.2
	Stock-based compensation	1.6	-
	Platform contribution	31.5	77.5
			29.7
	For the twelve-months ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Adjusted EBITDA	Net loss	(414.6)	(192.1)
	Interest expense and other income	2.5	8.6
	Depreciation and amortization	17.8	11.2
	Stock and unit-based compensation	161.4	78.6
	Transaction / offering related costs	5.9	1.1
	Provision for income taxes	(1.9)	-
	Adjusted EBITDA	(228.9)	(92.6)
			(88.3)



OAK
STREET
HEALTH