

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 8, 2024

Alignment Healthcare, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40295
(Commission File Number)

46-5596242
(IRS Employer
Identification No.)

1100 W Town and Country Road
Suite 1600
Orange, California
(Address of Principal Executive Offices)

92868
(Zip Code)

Registrant's Telephone Number, Including Area Code: 844 310-2247

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	ALHC	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Members of Alignment Healthcare, Inc.'s (the "Company") senior management team are scheduled to meet with investors and analysts at an industry conference and various other meetings on January 8-11, 2024. During the conference and meetings, the Company intends to address aspects of its prospects and performance as described below. The date and time of presentations to investors are available via the Investor Relations calendar of events and presentations on the Company's website at www.alignmenthealth.com. The Company's presentation during the industry conference on January 10, 2024 is expected to be webcast and a replay will be available on the Company's Investor Relations website.

Update on 2024 Membership Outlook, 2024 Profitability Expectations and Full-Year 2023 Guidance

The Company has completed the Annual Enrollment Period ("AEP") for 2024 and currently estimates that it will have approximately 155,500 members enrolled in its HMO and PPO contracts ("Health Plan Members") as of January 1, 2024. This figure represents Health Plan Member growth of approximately 44% year over year when compared with the Company's Health Plan Membership as of January 1, 2023. Additionally, the Company expects to have 162,000 to 164,000 members as of December 31, 2024, representing approximately 38% growth relative to the midpoint of the Company's latest Health Plan Membership guidance for year-end 2023 provided on November 2, 2023.

Additionally, the Company expects the midpoint of its adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) guidance to be breakeven in 2024. The Company expects to provide its full 2024 guidance on its fourth quarter 2023 earnings call.

Lastly, the Company is reaffirming its revenue, adjusted gross profit and adjusted EBITDA financial guidance ranges for the fiscal year ended December 31, 2023, and additionally expects adjusted EBITDA results to fall at the low-end of its guidance range. The Company's updated adjusted EBITDA expectations reflect decisions to increase discretionary investments in sales and marketing during the back-half of AEP given the significant growth opportunity the Company was presented with during AEP. As a result of the Company's robust growth achievement, the Company also accelerated new hires and clinical investments in December to support the onboarding of its January 1, 2024 membership.

The 2023 financial guidance was previously issued in the Company's press release dated November 2, 2023, as follows:

<i>\$ Millions</i>	Low	High
Revenue	\$1,780	\$1,800
Adjusted Gross Profit¹	\$206	\$214
Adjusted EBITDA²	(\$34)	(\$26)

1. Adjusted gross profit is a non-GAAP financial measure that is presented as supplemental disclosure, that the Company defines as loss from operations before depreciation and amortization, clinical equity-based compensation expense, and selling, general, and administrative expenses. The Company cannot reconcile its estimated ranges for adjusted gross profit to loss from operations, the most directly comparable GAAP measure, and cannot provide estimated ranges for loss from operations, without unreasonable efforts because of the uncertainty around certain items that may impact loss from operations, including equity-based compensation expense and depreciation and amortization, that are not within its control or cannot be reasonably predicted.
2. Adjusted EBITDA is a non-GAAP financial measure that is presented as supplemental disclosure, that the Company defines as net loss before interest expense, income taxes, depreciation and amortization expense, reorganization and transaction-related expenses, acquisition expenses, certain litigation costs and settlements, gains or losses from subleases and equity-based compensation expense. The Company cannot reconcile its estimated ranges for Adjusted EBITDA to net loss, the most directly comparable GAAP measure, and cannot provide estimated ranges for net loss, without unreasonable efforts because of the uncertainty around certain items that may impact net loss, including equity-based compensation expense and depreciation and amortization, that are not within its control or cannot be reasonably predicted.

The Company believes that non-GAAP financial measures provide an additional way of viewing aspects of its operations that, when viewed with GAAP results, provide a more complete understanding of its results of operations and the factors and trends affecting its business. These non-GAAP financial measures are also used by its management to evaluate financial results and to plan and forecast future periods. However, non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. For more information on the Company's use of non-GAAP financial measures, please refer to its SEC filings, which are available on its Investor Relations site at alignmenthealth.com. The Company will not be providing any GAAP or other financial information with respect to its fourth quarter earnings at this time as it is in the process of closing its books for fiscal year 2023.

Management Presentation

On January 8, 2024, the Company posted a presentation in the "Investor Relations" portion of the Company's website at www.alignmenthealth.com. The Company's intends give this presentation during meetings with investors and analysts at the

industry conference and in various other meetings on January 8-11, 2024. A copy of the presentation is attached and furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Cautionary Statement

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are subject to risks and uncertainties and are based on assumptions that may prove to be inaccurate, which could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. Important risks and uncertainties that could cause the Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: the Company's ability to attract new members and enter new markets, including the need for certain governmental approvals; its ability to maintain a high rating for its plans on the Five Star Quality Rating System; our ability to develop and maintain satisfactory relationships with care providers that service our members; risks associated with being a government contractor; changes in laws and regulations applicable to its business model; risks related to its indebtedness, including the potential for rising interest rates; changes in market or industry conditions and receptivity to its technology and services; results of litigation or a security incident; and the impact of shortages of qualified personnel and related increases in its labor costs. For a detailed discussion of the risk factors that could affect the Company's actual results, please refer to the risk factors identified in its Annual Report on Form 10-K for the year ended December 31, 2022, and the other periodic reports it files with the SEC. All information provided in this Current Report on Form 8-K is as of the date hereof, and the Company undertakes no duty to update or revise this information unless required by law.

The information in this Item 7.01 and Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information and exhibits be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Alignment Healthcare, Inc. Investor Presentation dated January 8, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

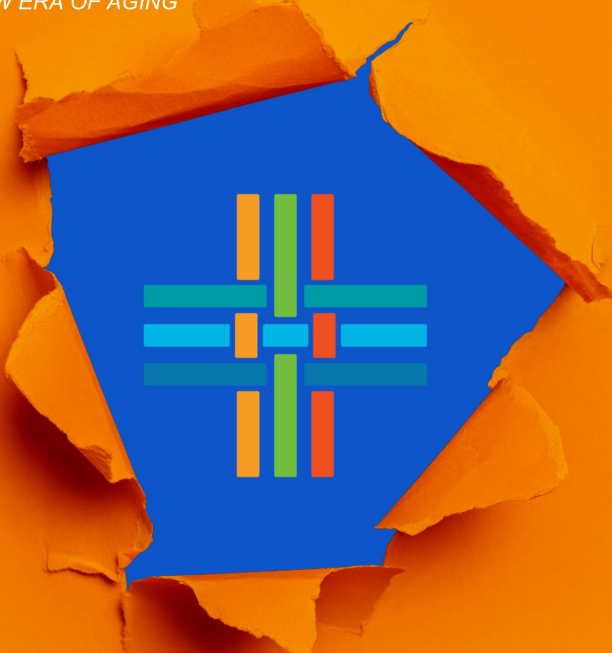
ALIGNMENT HEALTHCARE, INC.

Date: January 8, 2024

By: /s/ Thomas Freeman
Thomas Freeman
Chief Financial Officer



Alignment Healthcare
A NEW ERA OF AGING



DELIVERING A BREAKTHROUGH YEAR

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Legal Disclaimer

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are subject to risks and uncertainties and are based on assumptions that may prove to be inaccurate, which could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. Important risks and uncertainties that could cause the Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: the Company's ability to attract new members and enter new markets, including the need for certain governmental approvals; its ability to maintain a high rating for its plans on the Five Star Quality Rating System; our ability to develop and maintain satisfactory relationships with care providers that service our members; risks associated with being a government contractor; changes in laws and regulations applicable to its business model; risks related to its indebtedness, including the potential for rising interest rates; changes in market or industry conditions and receptivity to its technology and services; results of litigation or a security incident; and the impact of shortages of qualified personnel and related increases in its labor costs. For a detailed discussion of the risk factors that could affect the Company's actual results, please refer to the risk factors identified in its Annual Report on Form 10-K for the year ended December 31, 2022, and the other periodic reports it files with the SEC. All information provided in this Current Report on Form 8-K is as of the date hereof, and the Company undertakes no duty to update or revise this information unless required by law.

This presentation includes certain market and industry data and statistics, which are based on publicly available information, industry publications and surveys, reports from government agencies, reports by market research firms and our own estimates based on our management's knowledge of, and experience in, the industry and market in which we compete. Third-party industry publications and forecasts have been obtained from sources we generally believe to be reliable. In addition, certain information contained in this presentation represents management estimates. While we believe our internal estimates to be reasonable, they have not been verified by any independent sources. Such data involve risks and uncertainties and are subject to change.

This presentation contains certain "non-GAAP" financial measures within the meaning of Item 10 of Regulation S-K promulgated by the SEC. We believe that non-GAAP financial measures provide an additional way of viewing aspects of our operations that, when viewed with the GAAP results, provide a more complete understanding of our results of operations and the factors and trends affecting our business. These non-GAAP financial measures are also used by our management to evaluate financial results and to plan and forecast future periods. However, non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Non-GAAP financial measures used by us may differ from the non-GAAP measures used by other companies, including our competitors. To supplement our consolidated financial statements presented on a GAAP basis, we disclose the following non-GAAP measures: Medical Benefits Ratio, Adjusted EBITDA and Adjusted Gross Profit, as these are performance measures that our management uses to assess our operating performance. Because these measures facilitate internal comparisons of our historical operating performance on a more consistent basis, we use these measures for business planning purposes and in evaluating acquisition opportunities. For a reconciliation of these non-GAAP measures to the corresponding measures calculated in accordance with GAAP, see the Appendix to this presentation.

Establishing a New Paradigm

Successful 2024 Annual Enrollment Period (AEP) and Operational Execution Lay Foundation for Favorable 2024 / 2025 Outlook



Exceptional 2024 AEP Results

- ~155,500 health plan members as of Jan. 1, 2024 (YoY net membership adds of 47,200 implies **44% YoY growth**)
- Increasing market share with 82% of growth from plan switchers
- California markets comprise 86% of AEP sales
- Investments in AVA, network, sales operations and member experience leading to a 24% reduction YoY in 1/1 disenrollment



2024 Adjusted EBITDA Breakeven

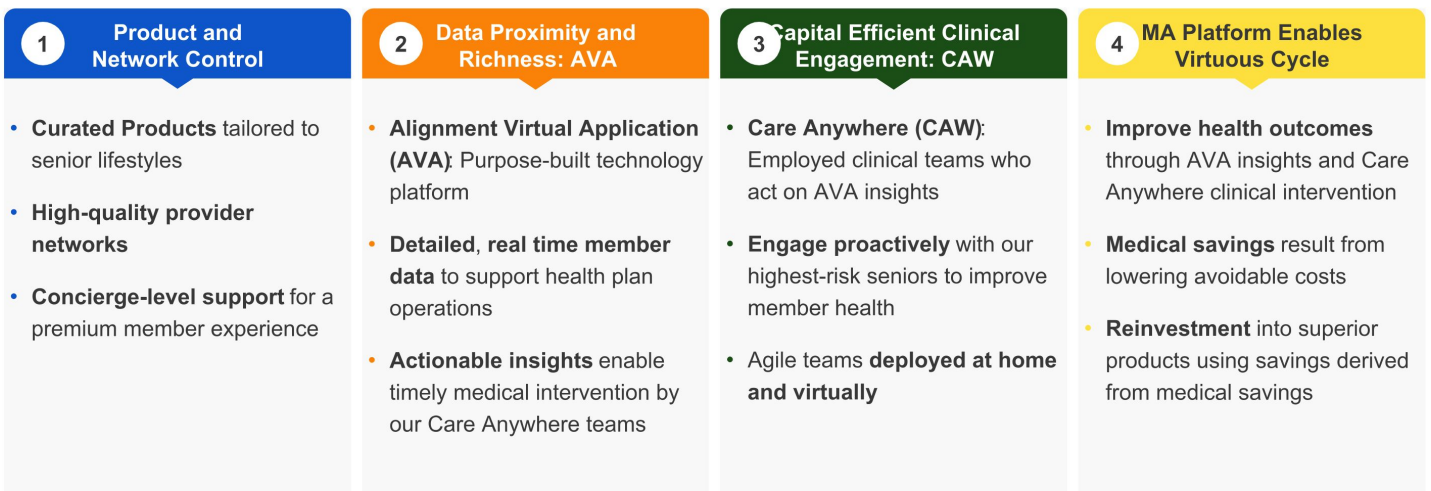
- Consistent benefit levels in 2024 underpin strong AEP membership growth
- Positive year-one membership gross margin pmpm experience supports 2024 Adjusted EBITDA breakeven trajectory
- Membership growth and increasing density in newer markets support enterprise SG&A leverage opportunity
- Continuous cohort MBR improvement opportunities



Favorable 2025 Outlook

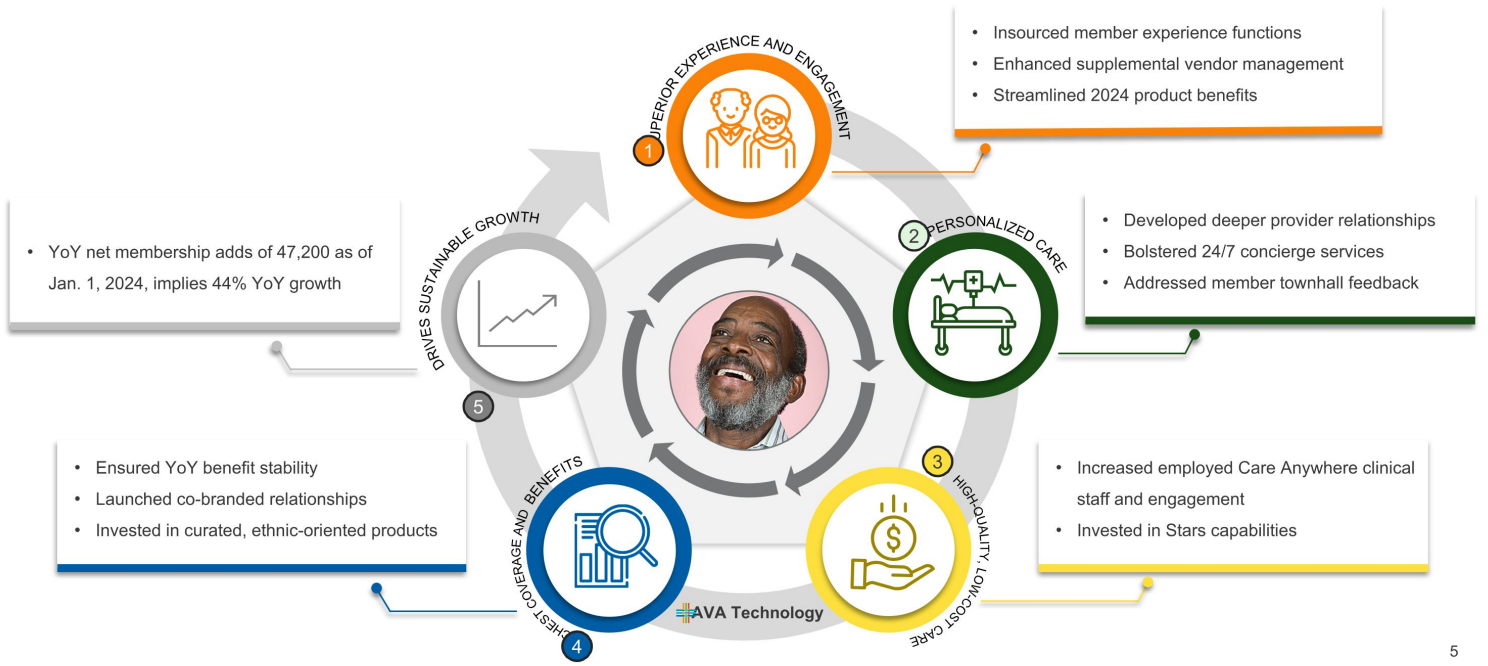
- Alignment tailwinds versus competitor headwinds
 - Widening stars payment advantages in California
 - Continued phase-in of risk model changes
- 2025 growth opportunity, cohort margin improvements, investments in AVA and other core infrastructure enhancements driving 2025 profitability outlook

Payvider Model: Visibility, Control and Durability



Purpose-Built Medicare Advantage Platform Company

Virtuous Cycle: Doing Well by Doing Good



AVA Platform

Creates Visibility, Control, and Durability Across Value Drivers Required for Success

Performance Management
Real-time outcome tracking and performance measurement across value drivers

Value Drivers
Product • Sales • Retention • Stars • Risk Adjustment • Utilization • Unit Cost • G&A Scale



Care Management Applications

Population health and care management



Quality / Stars Applications

Effective quality program management



Quality / Risk Adjustment Applications

Timely, complete, accurate and compliant documentation



Core Infrastructure Applications

Integrated applications and data across the company



Growth Applications

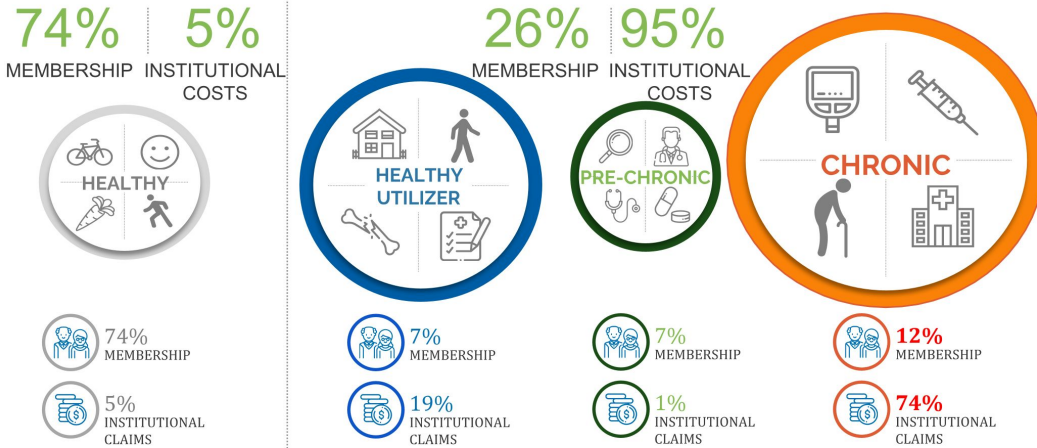
Broker and member portals

Unified Data Platform
Actionable Data and Insights | Accurate, Timely, Complete

We Manage Cost by Managing Care

AVA stratifies members into risk categories; Care Anywhere teams proactively target interventions for chronic, high-risk members (1)

AVA | Member Risk Stratification



Average Member Primary Care Physician (PCP) Visits Per Year: ~5 (2)

Estimated Care Anywhere Member Touches Per Year: ~25 (3)

Notes:
 1. Based on at-risk members, Aug 2022 - Jul 2023 dates of service.
 2. Based on October 2022 to September 2023 encounter data.
 3. Estimated number of visits per year includes members who had an initial CAW visit plus estimates including program-based follow-up activities and engagement (telephonic and virtual).

Care Anywhere Team

Proactive Outreach | 24/7 access | Enhanced Care Coordination

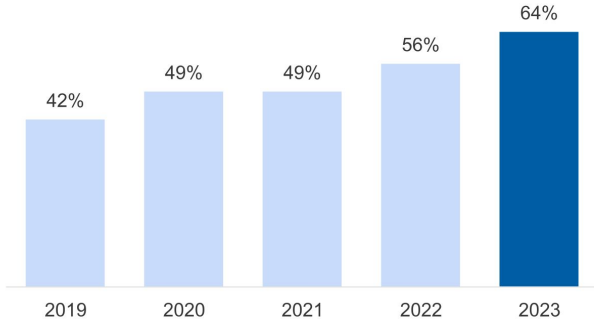


Early Identification by AVA & Proactive Engagement by Care Anywhere

Leads to Better Outcomes for our Most Vulnerable Members

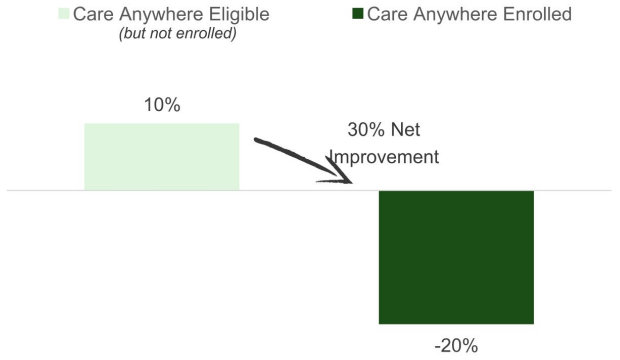
AVA's predictive models are highly accurate at forecasting inpatient events ...

AVA Inpatient Admission Recall Rate
30-day admission prediction model



... enabling our Care Anywhere teams to support our sickest members and improve health

Change in Institutional Claims Expense 12-Months Following Care Anywhere Enrollment or Eligibility¹
(lower is better)



Note:
1. Care Anywhere eligible and enrolled members as of January 2020 through July 2022. Average changes in expenses 12-months before and after date of eligibility or enrollment. Includes members with at least 12 months of "pre" and "post" data.
2. The percentage of members identified as high-risk who have an inpatient admission over a 30-day period

Continuous Improvements to AVA Across Value Drivers

Enable Enhancements to our Virtuous Cycle

AVA Modules & Applications Developed Since IPO



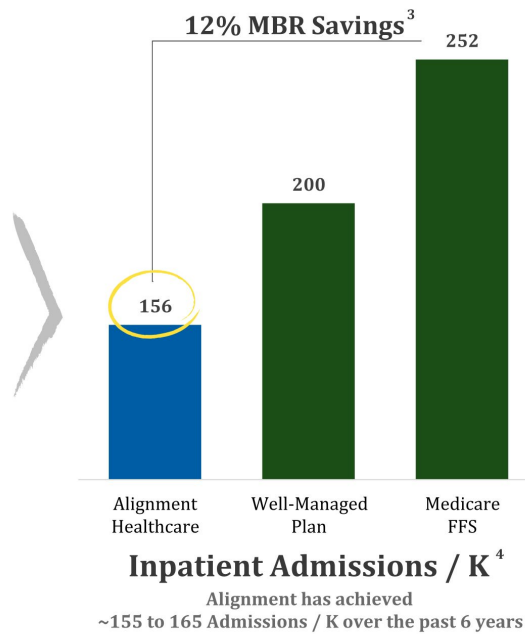
Key Value Drivers	Panel Management October 2021	CRM January 2022	Eligibility and Benefits August 2022	Utilization Management August 2022	Broker Intelligence January 2023	Provider Data Platform January 2023	Case Management September 2023	Today January 2024
Sales		✓	✓		✓			✓
Retention	✓	✓	✓		✓			✓
Stars	✓	✓				✓	✓	✓
Risk Code Completion	✓					✓	✓	✓
Utilization	✓			✓		✓	✓	✓
OpEx Leverage	✓	✓	✓	✓			✓	✓

Alignment Healthcare Delivers Industry-Leading Results

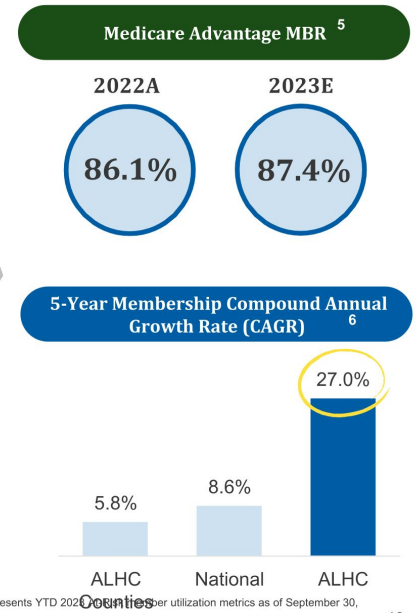
Quality and Experience



Clinical Outcomes




Financial Results




Notes:
 1. NPS based on Deft Research's 2021 Medicare Member Experience Study. Google Rating based on Alignment Health Corporate HQ rating; composite of more than 2,300 ratings as of Dec 23.
 2. Voluntary disenrollment based on CY21 CMS Stars reporting for H3815 and national avg.
 3. Illustrative MBR savings based on approximate average unit cost per admission/event

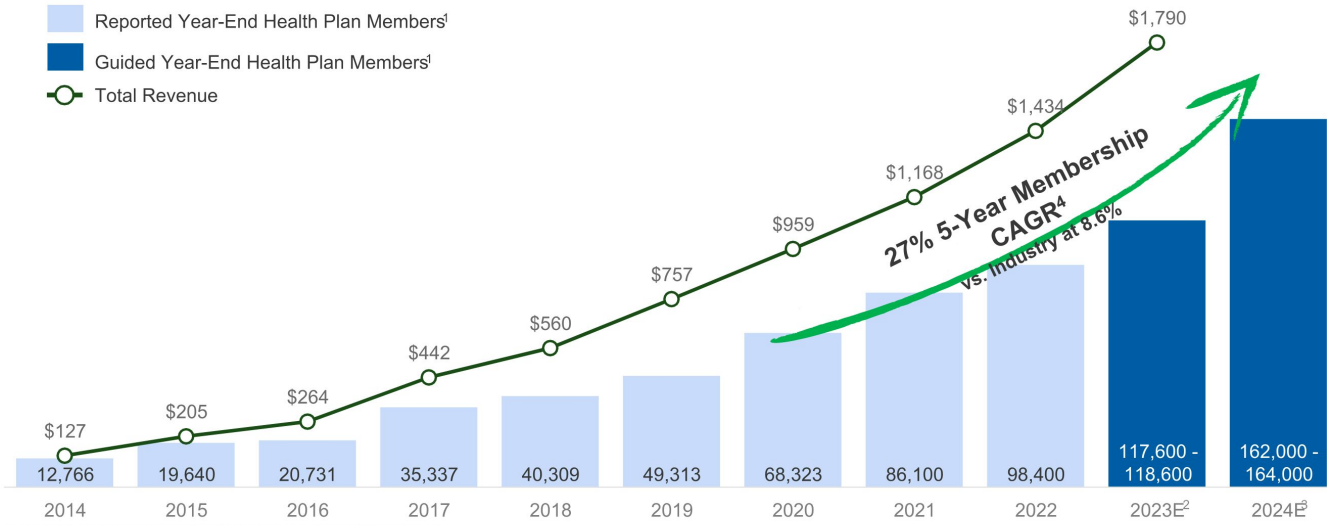
4. Medicare FFS data represents 2019 Medicare FFS using ALHC's 2021 membership mix by county; ALHC data represents YTD 2023.
 5. Defined as total medical expenses excluding depreciation and equity-based compensation divided by total revenues, excluding ACO REACH. 2023E represents the midpoint of Low/High guidance provided November 2, 2023.
 6. ALHC CAGR based on the midpoint of 2024 year-end membership guidance provided as of January 8, 2024.

Our Durable Growth Engine is Just Getting Started

 **53 Markets**
Across CA, NC, NV, AZ, TX, FL

 **155,500 Health Plan Seniors as of Jan. 1, 2024**
~30% mix of dual-eligible & C-SNP

 **>1,500 Employees**
>400 Clinical + Tech Employees





Notes:
 1. Health plan membership excludes members in RBO and excludes ACO REACH members.
 2. 2023E reflects Low/High year-end membership and revenue guidance as of November 2, 2023
 3. 2024E reflects Low/High year-end membership guidance as of January 8, 2024
 4. ALHC CAGR based on the midpoint of 2024 year-end membership guidance provided as of January 8, 2024


Focused Investments and Execution


Establish Durable Competitive Advantages


1 Successful Execution of Operational Initiatives...

 **Retention and Member Experience:** Insourced call center and improved supplemental benefit vendor management


 **Product Leadership:** Enhanced market-level bid tactics and simplified benefits


 **Sales Operations:** Hired key sales personnel and improved local sales activities


 **Stars Tracking and Transparency:** Focused clinical and operational resources on Stars execution


 **Durable and Aligned Networks:** Accelerated local provider engagement

2 ... Resulted in Favorable Competitive Tailwinds

 **Stars:** California competitor Star ratings dropping significantly while ALHC maintains 4 Stars in CA

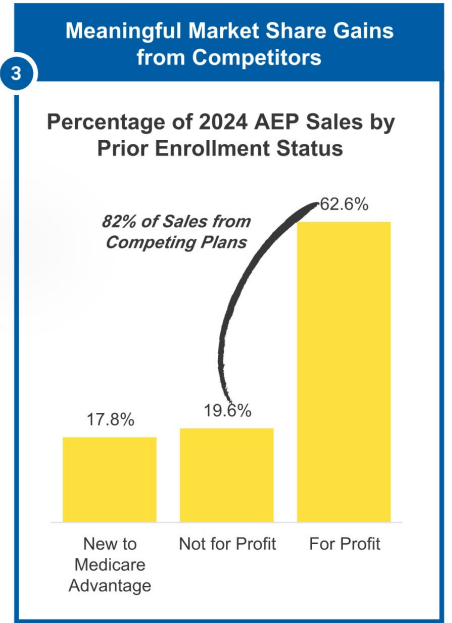
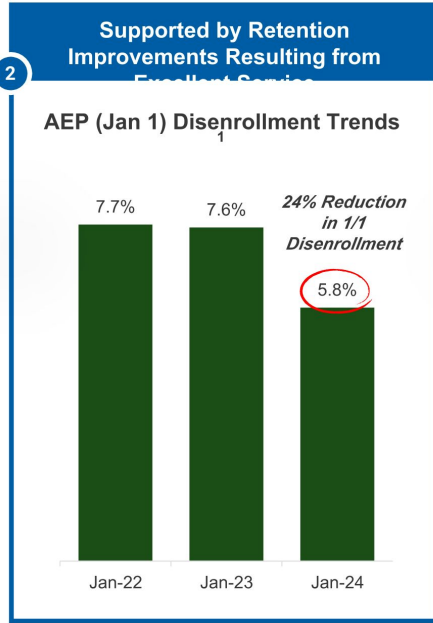
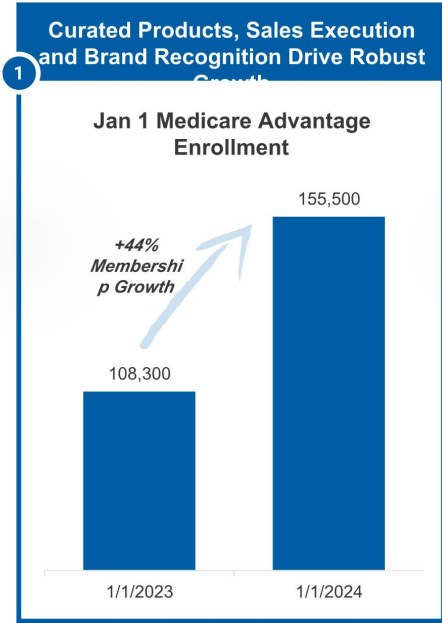
 **Care Model:** AVA & Care Anywhere allow us to control medical utilization of highest-cost members relative to elevated industry trends

 **Margin Focused:** We remained disciplined during previously aggressive bid dynamics

 **Risk Model:** We are relatively advantaged amidst risk model changes

Industry-Leading 2024 Growth

Results in Meaningful Market Share Gains



Notes:
1. Calculated as the number of members disenrolling as of January 2024, divided by the total number of unique members

AEP Growth Supports 2024 Adjusted EBITDA Breakeven Target

Our care model, AVA technology, provider engagement and member experience deliver profitable unit economics and scalable growth

1

Consistent Product Value YoY

Not Increasing Benefits Dramatically from 2023 to 2024...



... While Growing Membership 44% YoY

2

Positive New Member Gross Profits

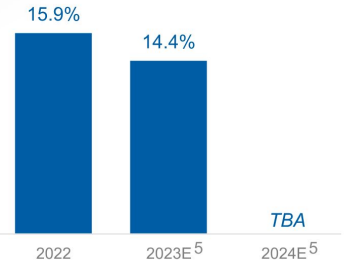
Demonstrated by Historical Experience and Expected to Continue in 2024



3

Continued Operating Leverage in 2024^{3, 4, 5}

Supported by Successful 2024 AEP



■ SG&A % Ratio Excl. ACO REACH³

Notes:

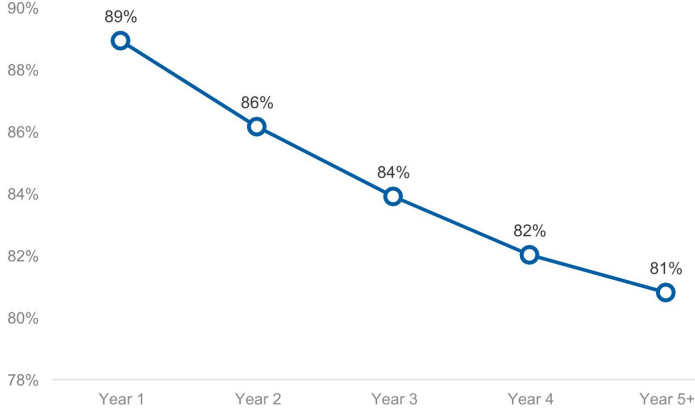
1. 2024 vs 2023, weighted by Alignment's estimated January 1 membership by plan ID
2. Weighted average of full-year 2021 to 2023, excludes stock-based compensation and depreciation embedded in medical expense
3. Calculated as adjusted selling, general and administrative expenses divided by total revenue excluding ACO REACH
4. Member growth represents year-over-year Medicare Advantage health plan membership growth as of December in years 2022-2024E
5. 2023E reflects Low/High guidance as of November 2, 2023; 2024E reflects Low/High guidance as of January 8, 2024

... Combined with Continuous Cohort MBR Improvement Opportunities

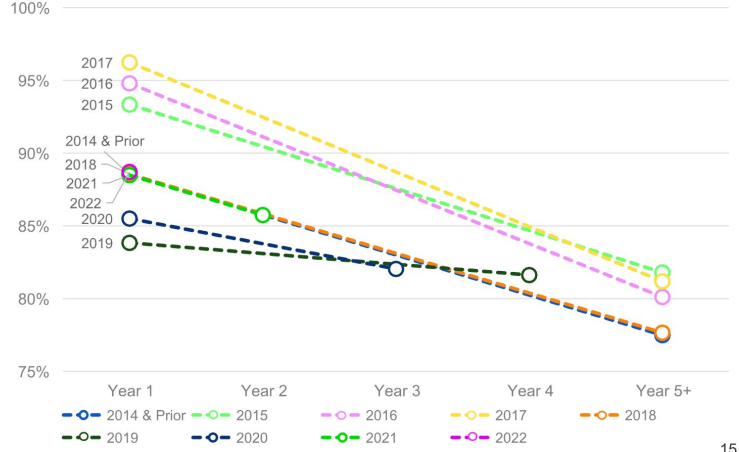
- Historical cohort performance supports 2024 adjusted EBITDA target
- 2024 sales create significant 2025 cohort improvement opportunity

- Consistently improving at-risk MBRs over time across vintages
- Efficacy of operating model demonstrated across cohorts consisting of different mixes of members by product, market and provider group

MBR by Member Cohort Year¹
At-Risk Member Experience



Year 1 vs. Most Recent Cohort Year MBR¹
At-Risk Member Experience



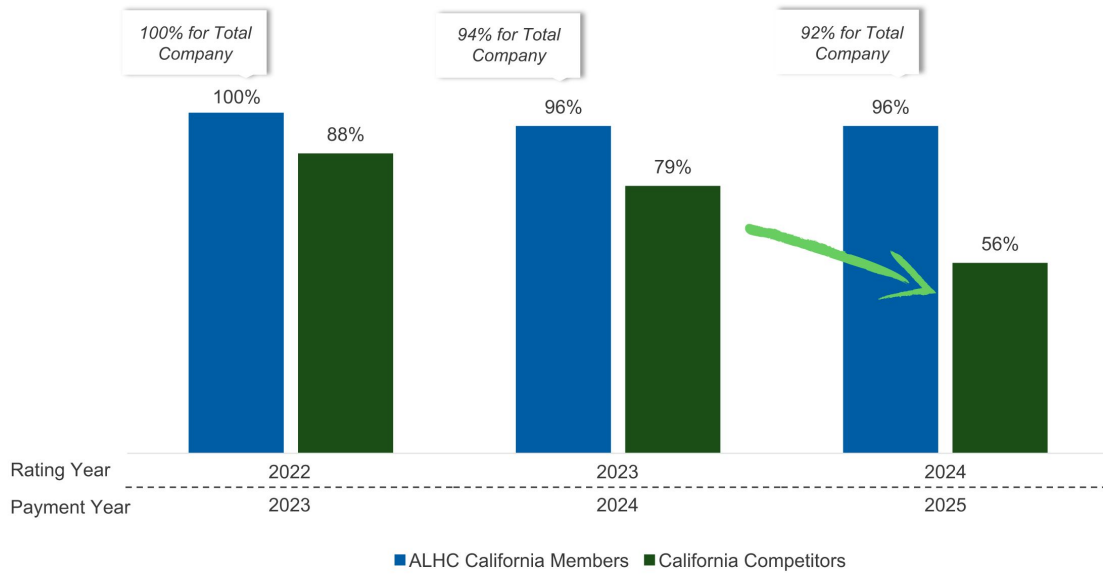
Notes:

1. ALHC At-Risk data reflects 2014- July 2023 dates-of-service. Claims paid through October 2023. Based on continuous At-Risk membership / market performance. At-risk defined as a member where Alignment manages and is at-risk for the institutional claims. CA pro forma to reflect 4.0 Stars; historical NC RBO shown based on estimated gross revenue. Reflects Part C third party medical expense relative to Part C revenue, including annual clinical model investments.

Widening Stars Advantage in 2025

Supports California Growth Outlook

Percentage of Competitor California Membership in Plans Rated 4 Stars or Greater ¹



Notes:
1. Membership data as of December of each year

Delivering A Breakthrough Year

Strategic Decisions and Execution Converging to Drive Long-Term Success



Disruptive, purpose-built Medicare Advantage platform



Investments in operations and AVA accelerating our virtuous cycle



Durable growth supports 2024 Adjusted EBITDA breakeven target



Widening competitive advantage versus incumbents (Stars, Risk Adjustment)



Favorable 2025 outlook: Cohort improvements and robust growth opportunities