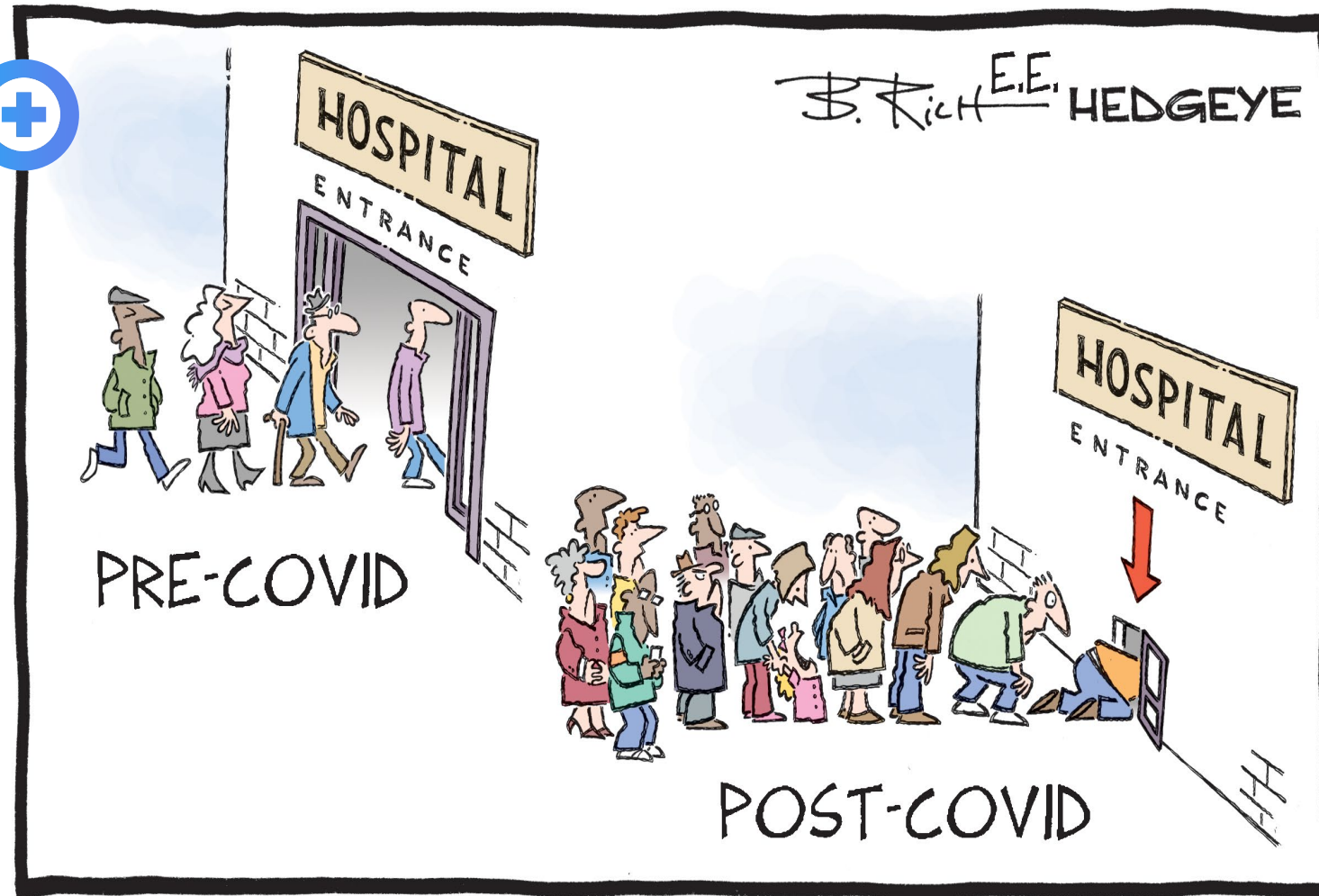


HEDGEYE

DVA: Fewer Patients, Even Less Innovation & A Precarious Future

Not a Short Yet But Definitely Not a
Long

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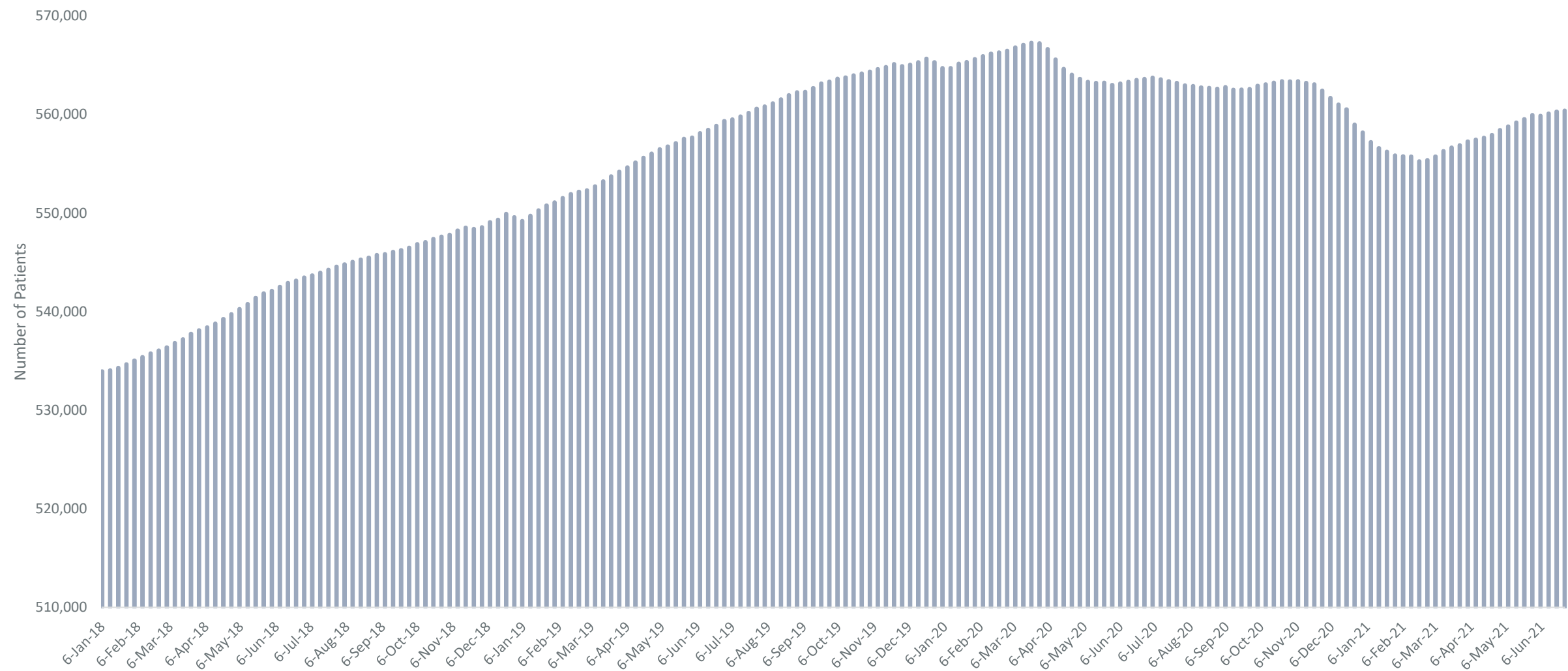
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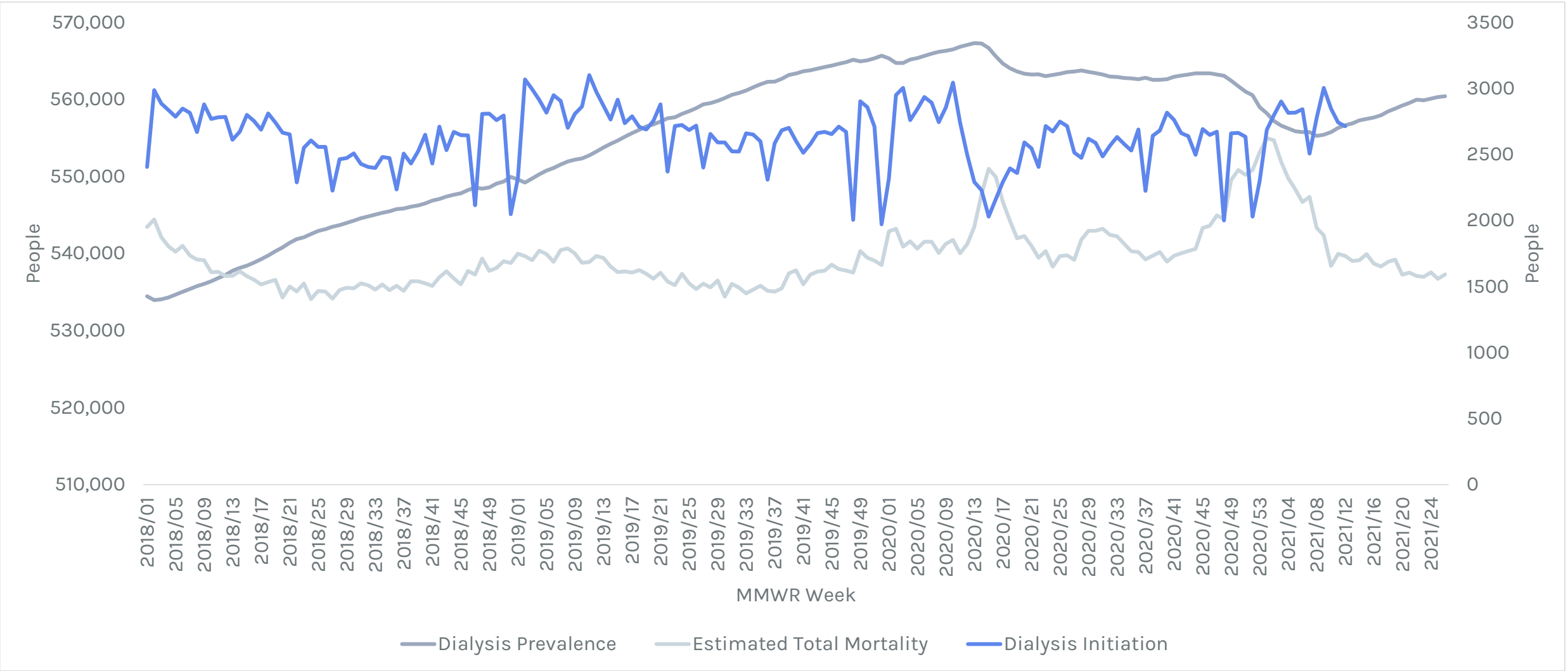
Prevalence | Number of ESRD Patients on Dialysis

Peak prevalence was 1Q 2020; return to growth may have been worse without vaccinations



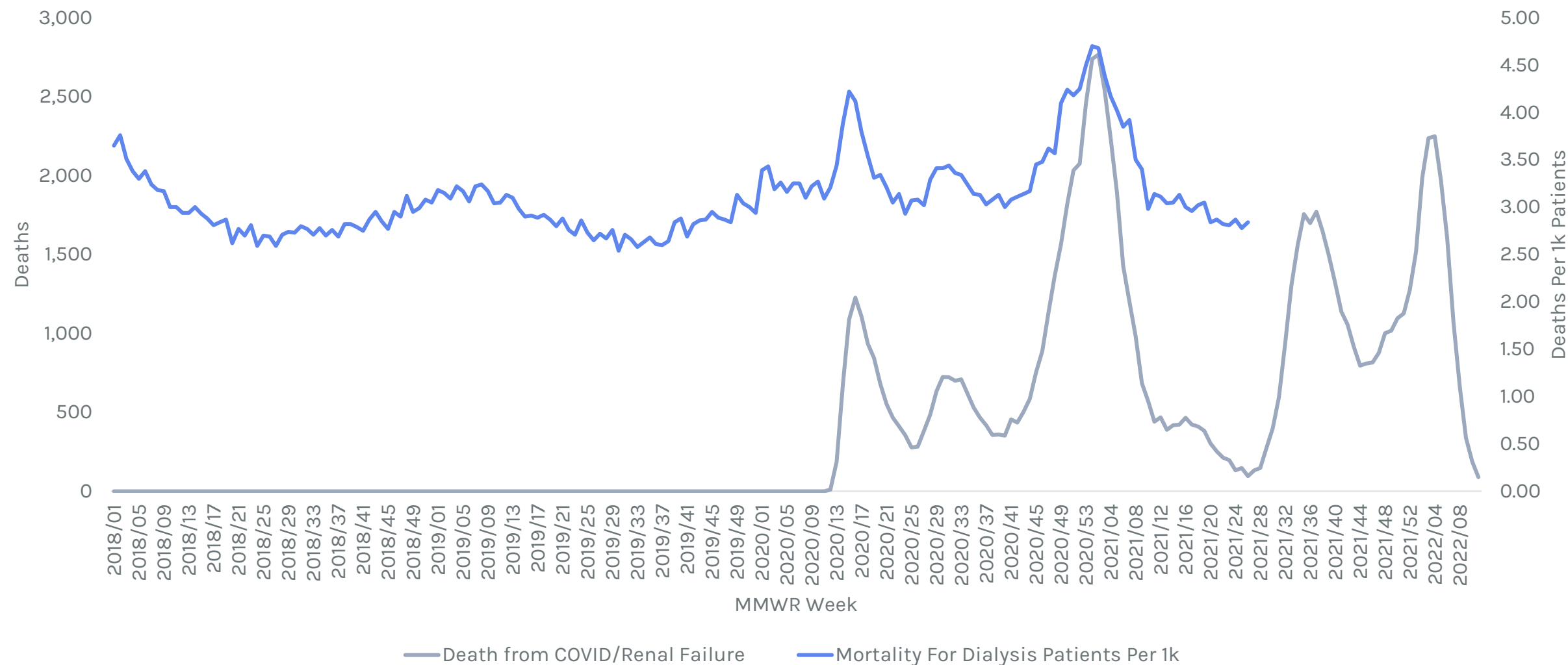
Mortality | Dialysis Initiation v Mortality

Mortality overtook dialysis initiation in early 2020 and again in 2021, contributing to decreased prevalence



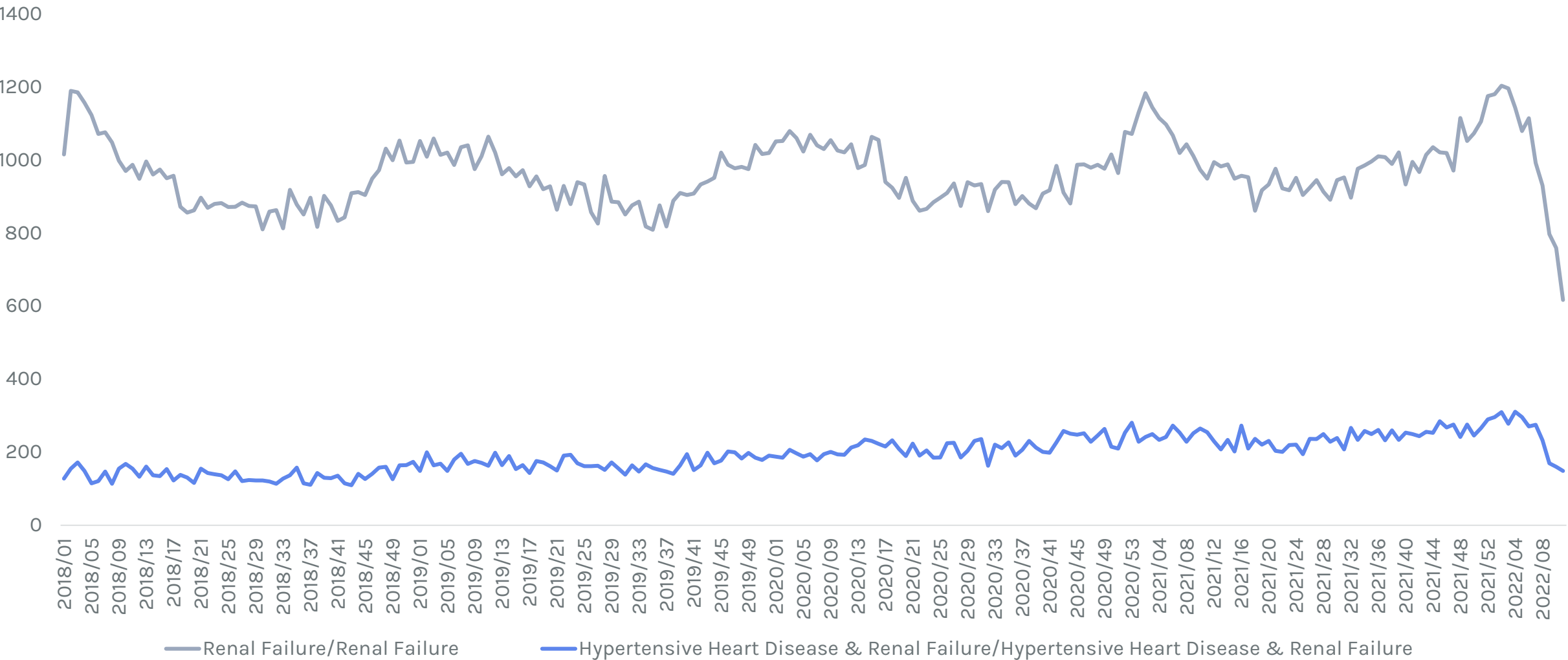
Mortality | All Cause Mortality v COVID/Renal Deaths

COVID-19 outbreaks driving mortality of dialysis patients



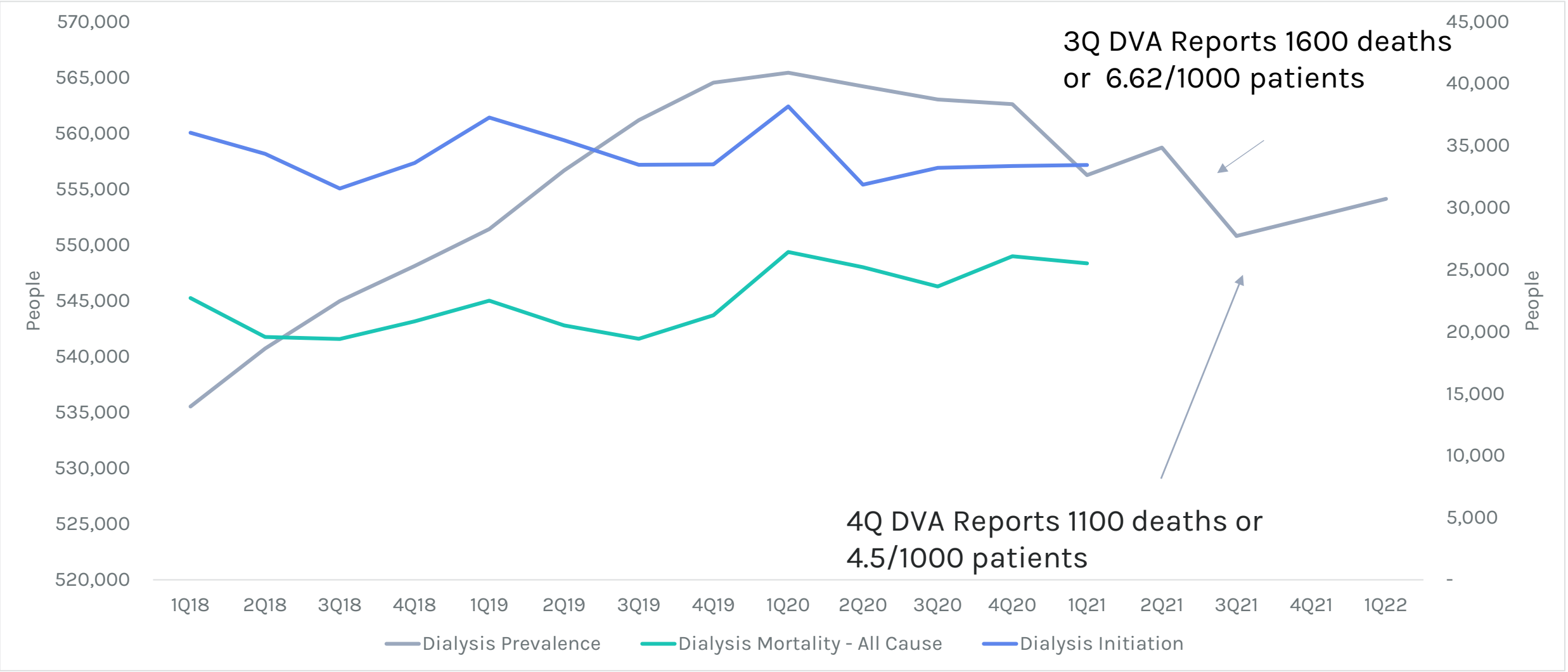
Mortality | Renal Failure & Hypertensive Heart Disease

Maintaining historical trends, however coding may be playing a role



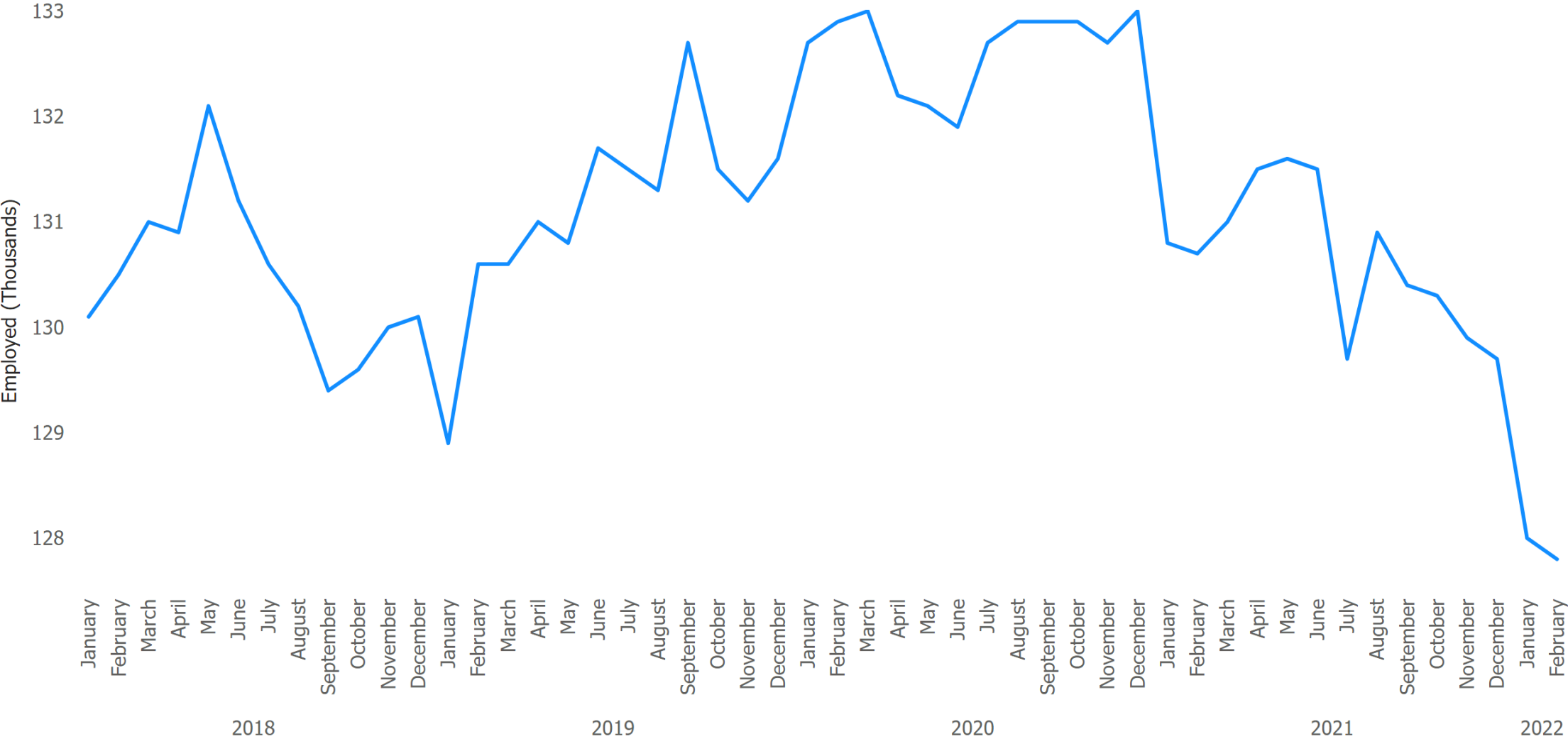
Mortality | Dialysis Initiation v Mortality

Quarterly view; DVA's mortality as reported is higher than national figures



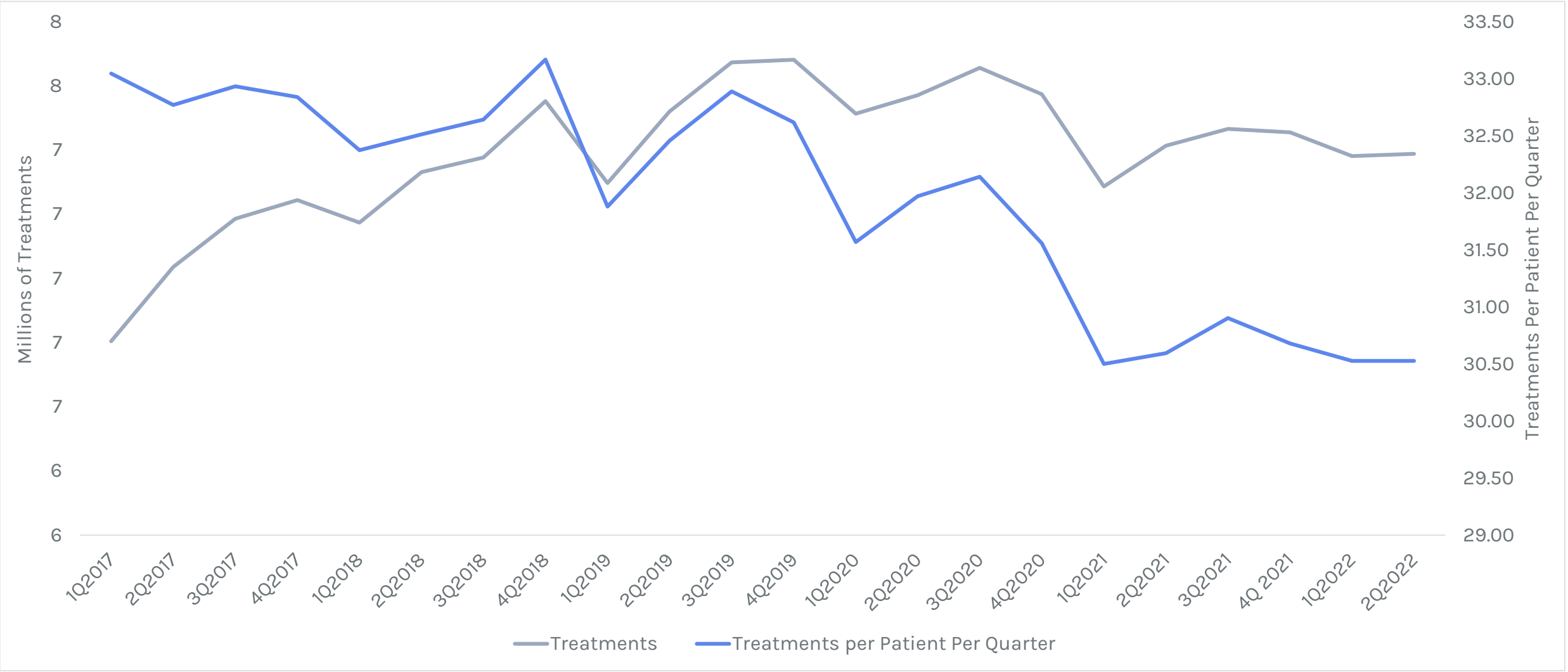
Dialysis Clinics | Total Employed

● All employees, thousands



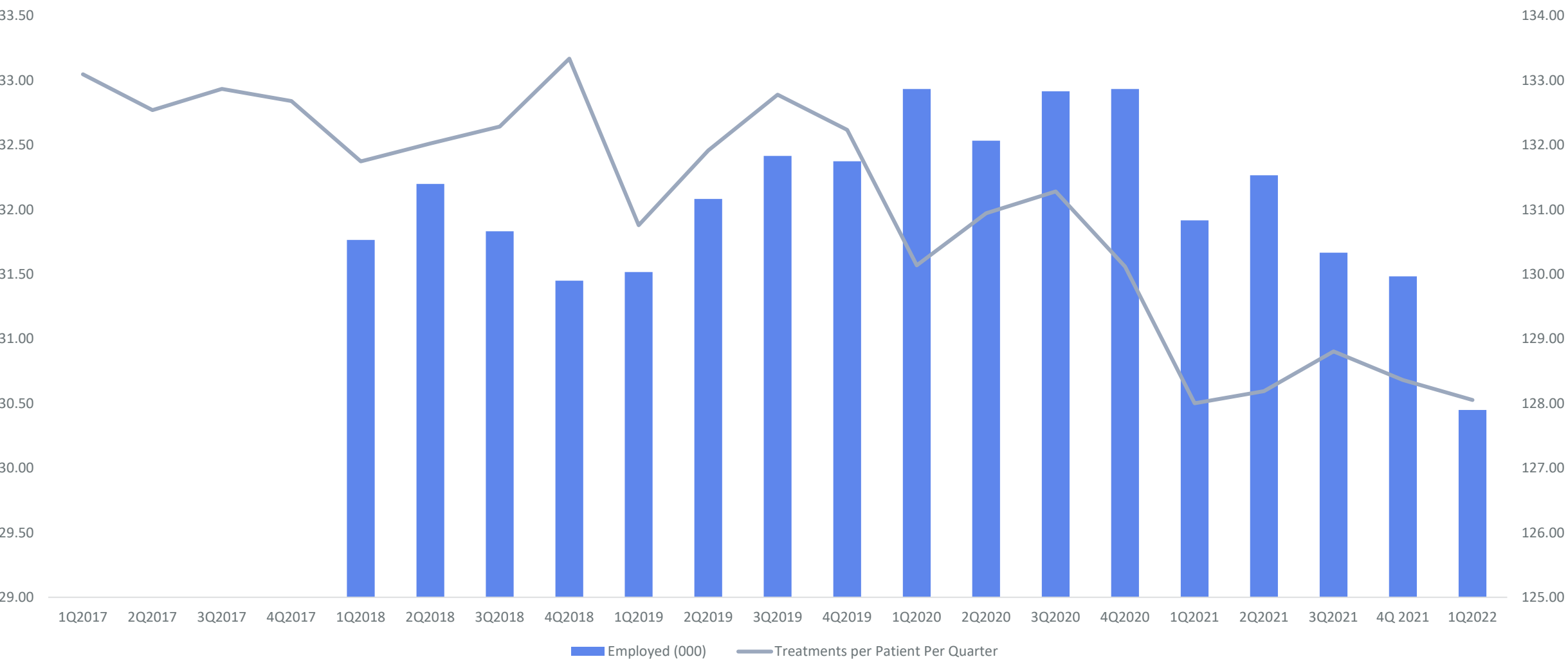
Mortality | Treatments Per Patient

Decelerated significantly beginning in 2020



Mortality | Employed v Treatments per Patient

Employment at multi-year low as is treatments per patient



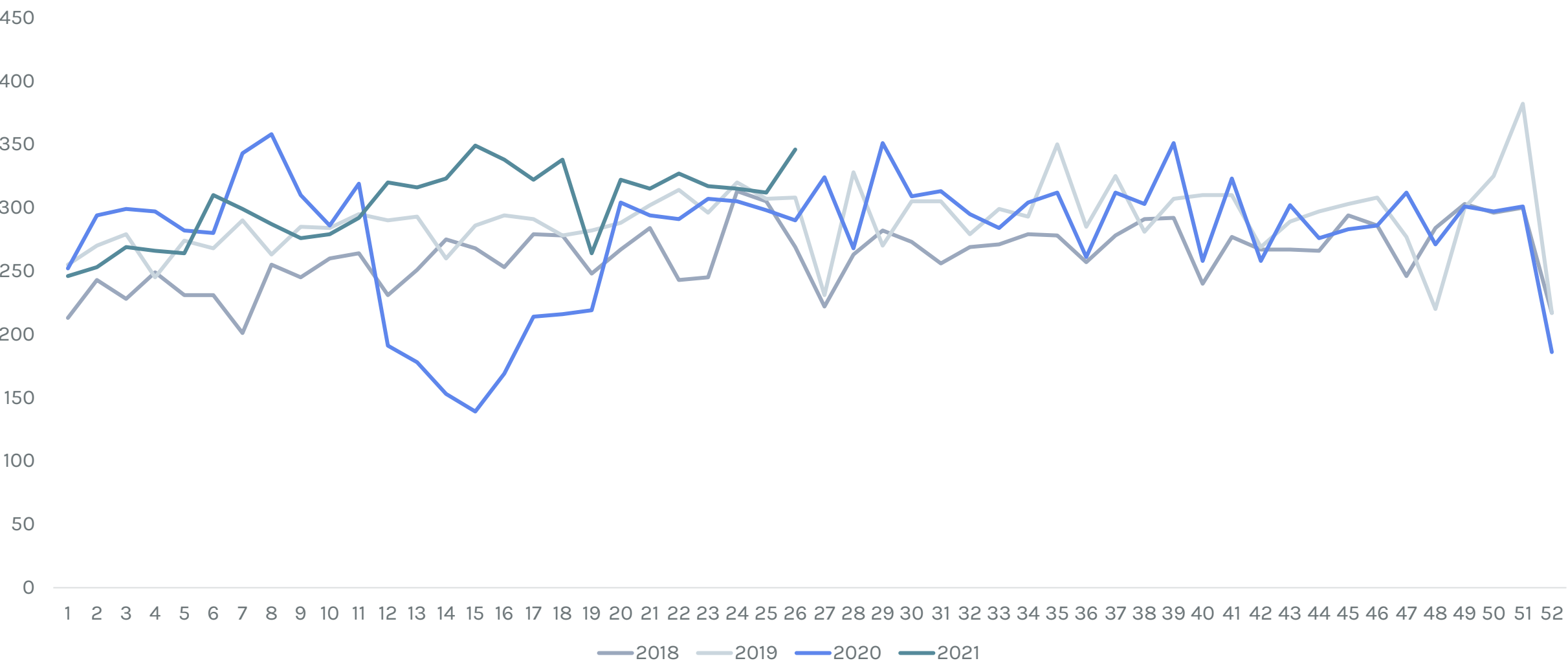
Dialysis Prevalence | Long Road Back

DVA's 4Q 2021 patient count implies a 0.30% QoQ; may reach pre-covid prevalence late 2022/2023



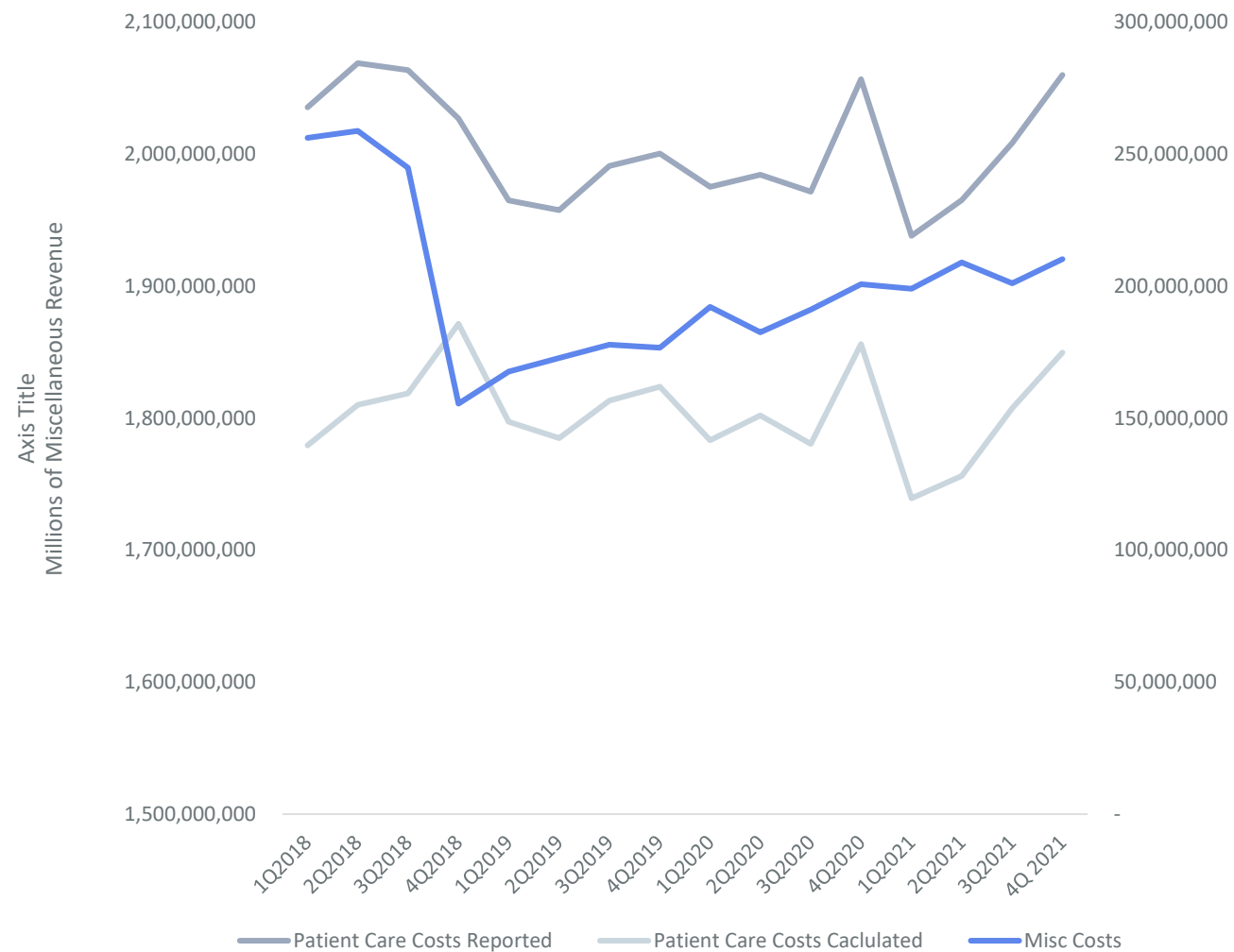
Dialysis Prevalence | Transplantation Improvement

There were about 2,400 more transplants in 2021 (annualized) than 2018



DVA | Managing the Cost Line

Near perfect management of costs v revenue made possible by reducing throughput



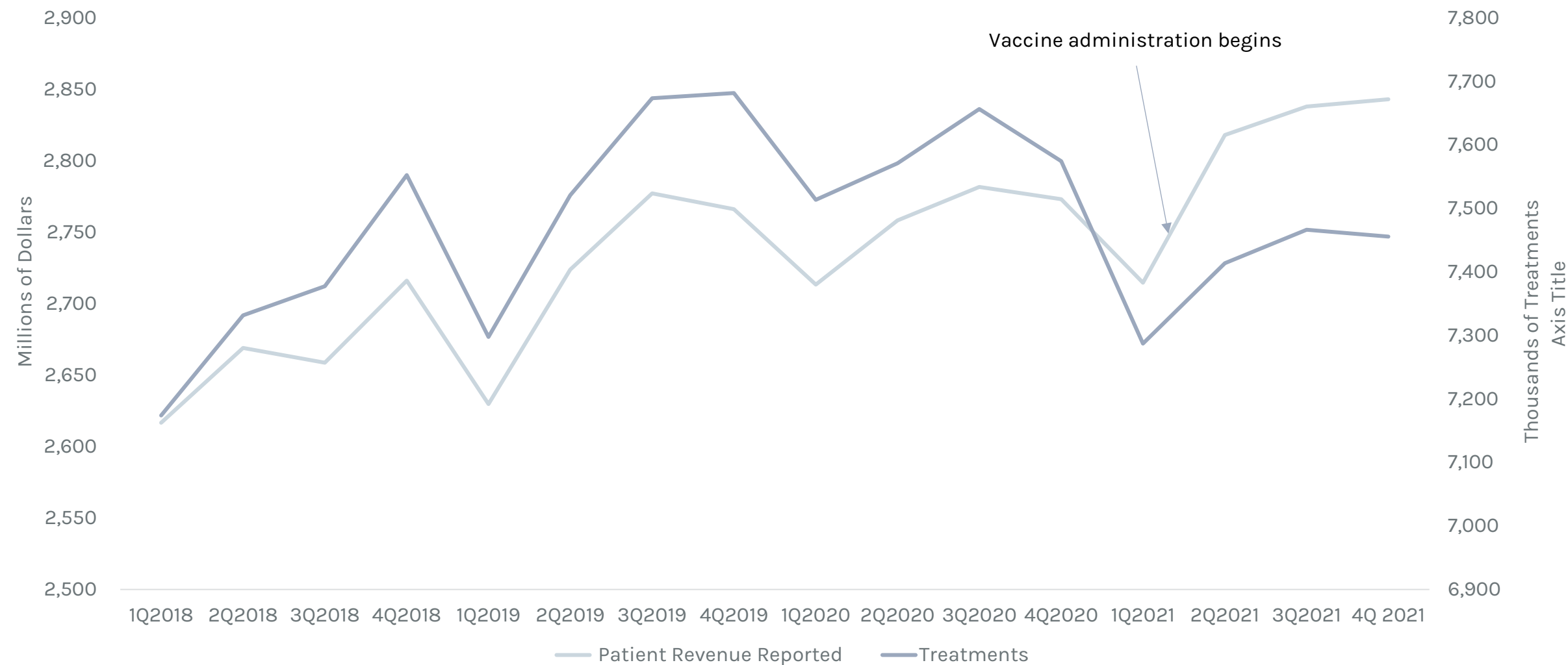
Dialysis Prevalence | Not Normal

60% of dialysis initiation are due to diabetes; About 60k excess deaths will reduce pipeline



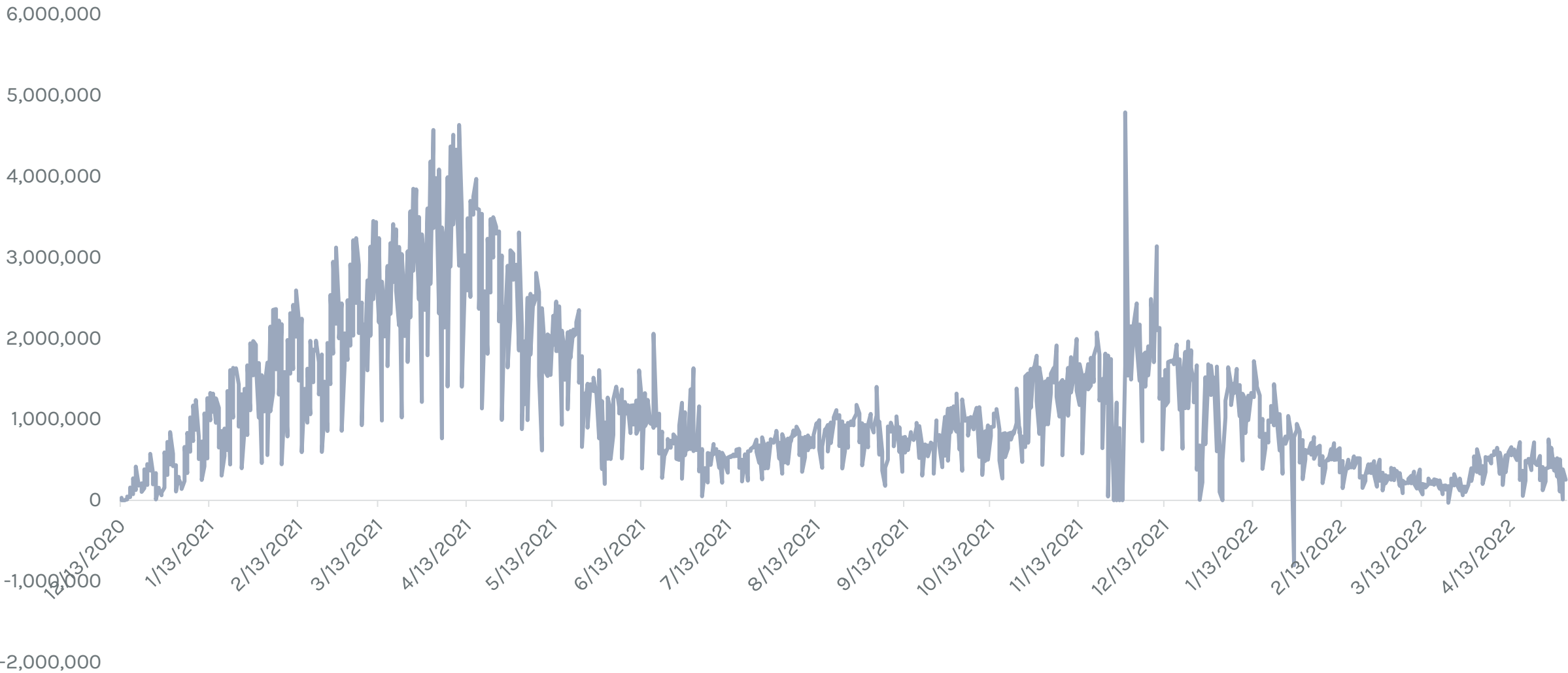
DVA | Modeling Revenue

Patients drive treatments; treatments drive revenue – except when there is a vaccine



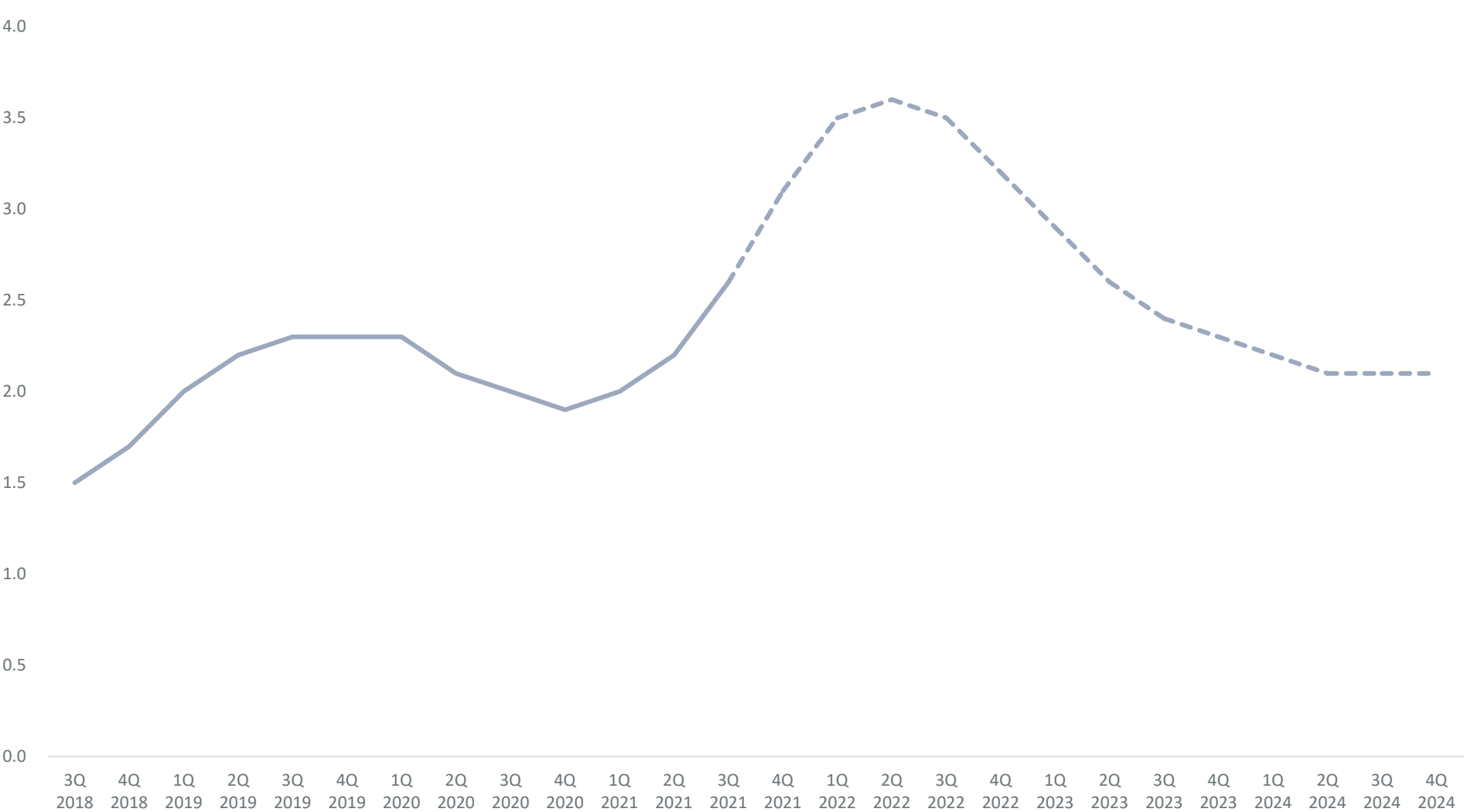
DVA | Reduce Other Revenue to Account for Lower Uptake

Daily vaccination administration was about 500k in 1Q v 1.2M in 4Q



Modeling Revenue | Medicare Payment Update

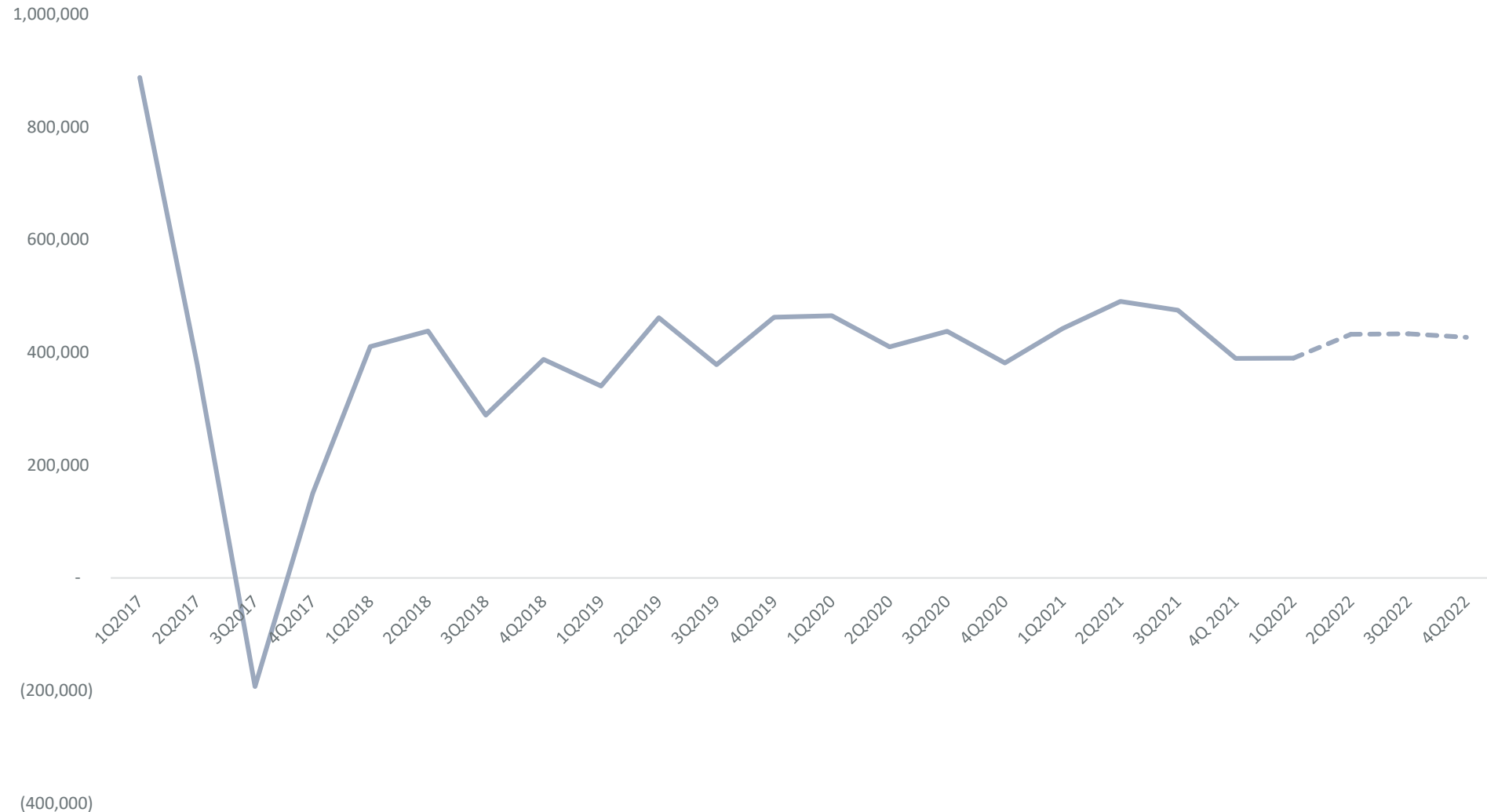
Forecast calls for deceleration of reimbursement in 2023



- Based on April 2022 release with historical data through 3Q 2021
- Anticipated peak reimbursement in 2022 driven largely by labor cost increases
- A lower reimbursement trend will affect throughput in 2023 and beyond

DVA | Net Operating Income - GAAP

Probably hits mid-point of guidance provided mortality not too extreme

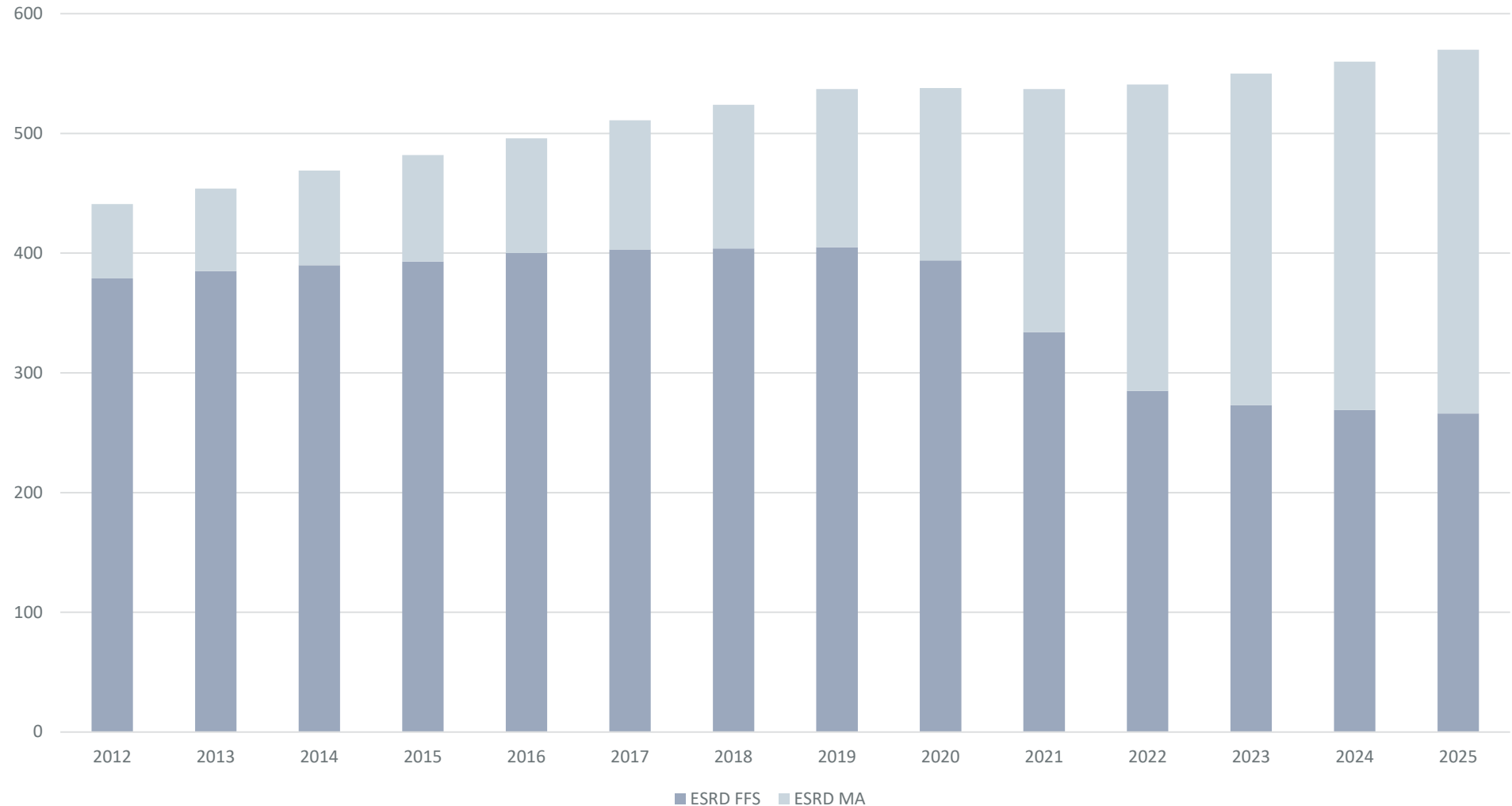


- 2022 Guidance is:
 - 1.525-1.675 Adjusted Net Operating Income
 - \$7.50 - \$8.50 Adjusted EPS
- Both are possible if:
 - Prevalence returns to 0.30% QoQ% Growth
 - DVA reverses their elevated mortality
 - No additional improvement in transplantation
 - No additional growth in alternative strategies/technologies driven by MA

DVA | Medicare Advantage Penetration of ESRD

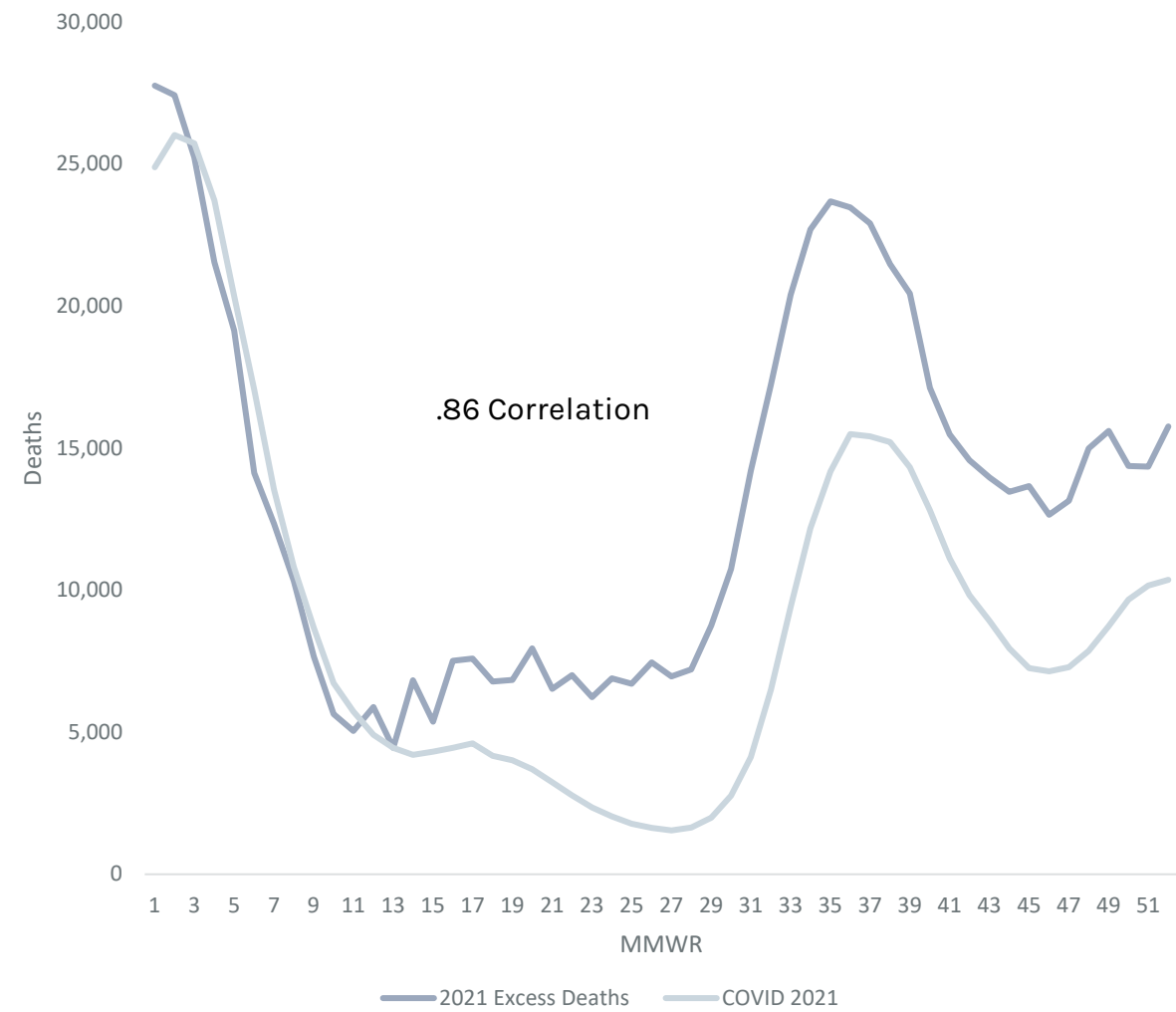
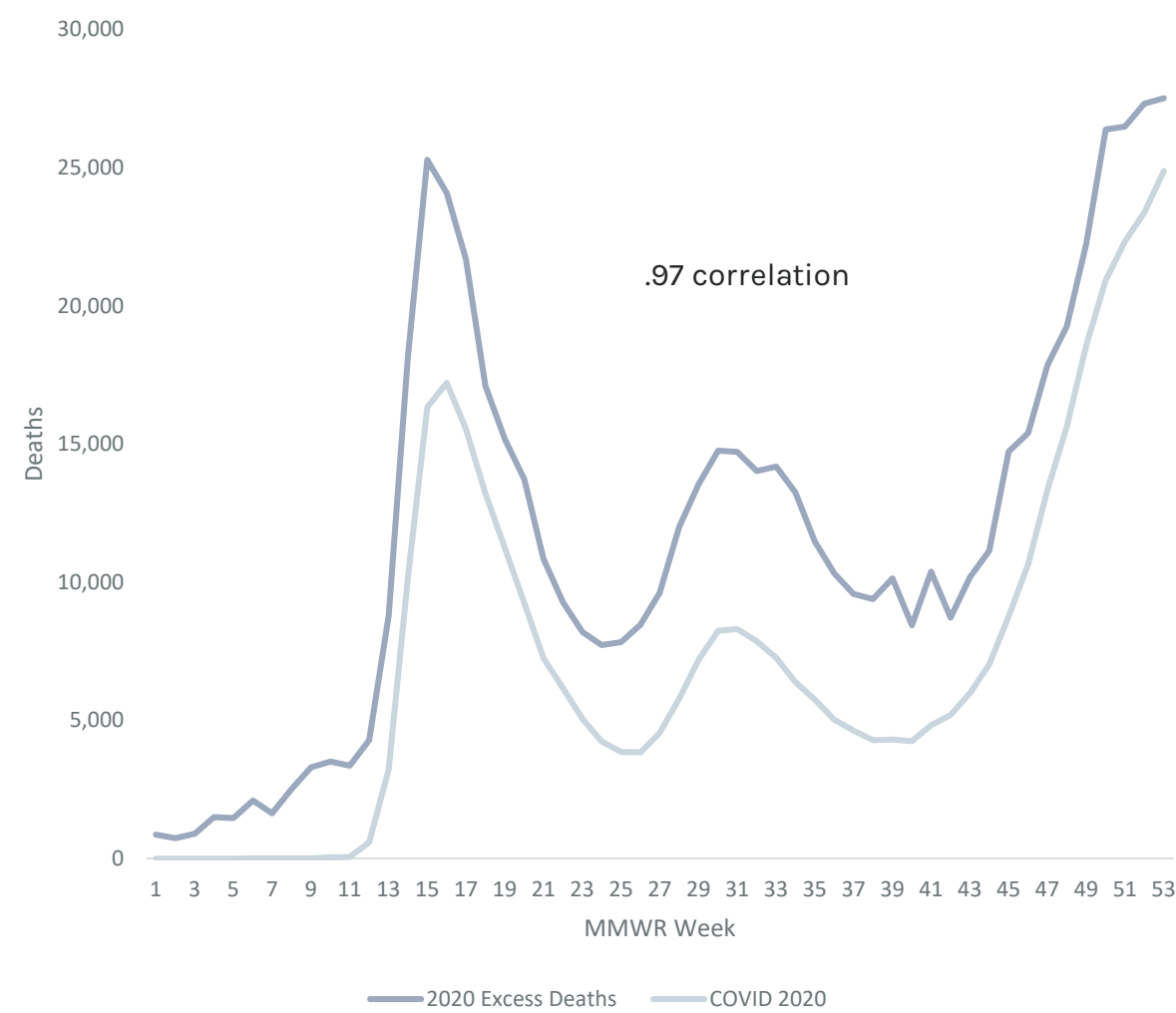
Not the tailwind DVA was hoping for.

- Managed Care can push pre-emptive care including transplantation
- MA is generally underpaid for ESRD patients which makes preventive and less costly interventions more valuable
- FFS spends about 110K/year on FFS and about 99k/year on MA beneficiary
- Scarcity is the mother of invention



All Excess Deaths v. Reported COVID Deaths

Correlation began to breakdown around week 14 of 2021



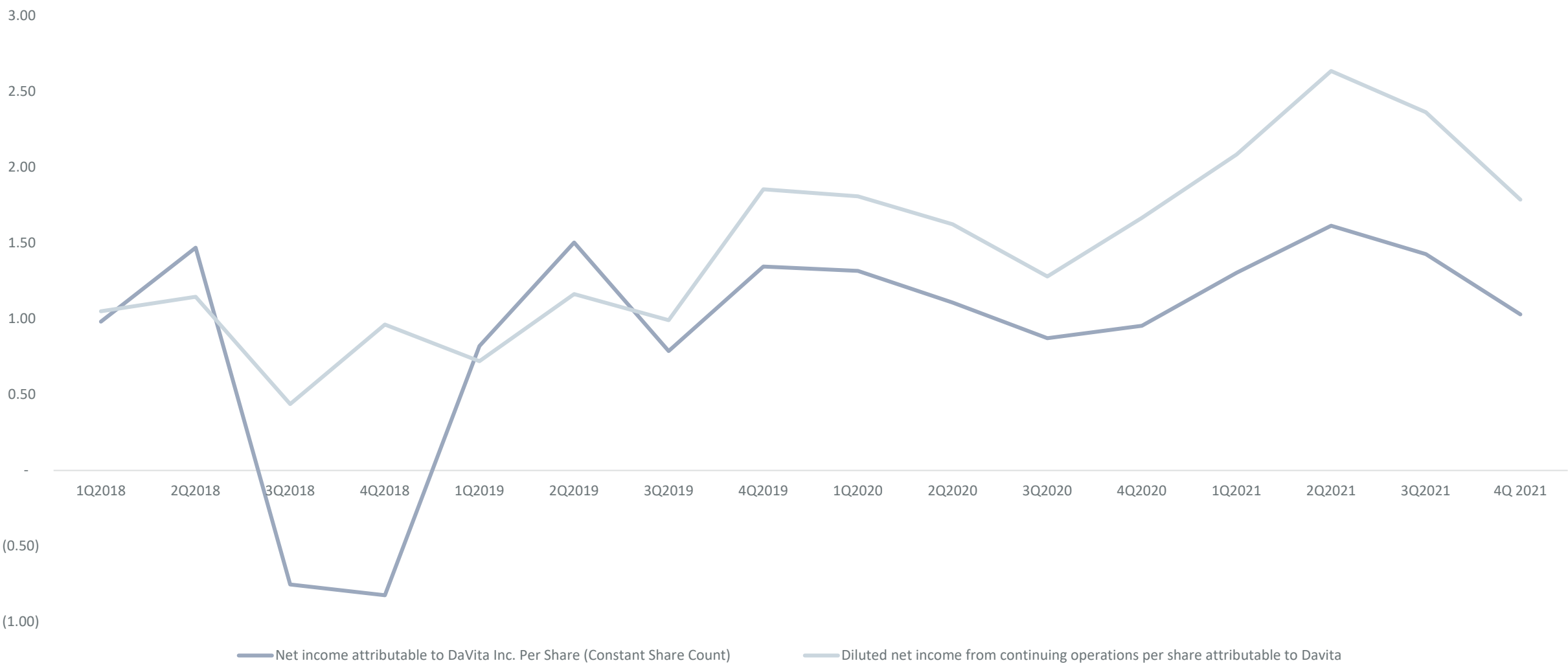
DVA | Share Buybacks

There is always the possibility they meet EPS guidance with buybacks



DVA | Share Buybacks

EPS would be much lower without the buybacks as overall fundamentals are so poor



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