



 **adapt**health

**Financial Supplement – Q4 2020**

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This Presentation includes references to financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), including EBITDA, Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex. AdaptHealth defines EBITDA as net income (loss) attributable to AdaptHealth Corp., plus net income (loss) attributable to noncontrolling interests, interest expense (income), income tax expense (benefit), and depreciation and amortization. AdaptHealth defines Adjusted EBITDA as EBITDA (as defined above), plus loss on extinguishment of debt, equity-based compensation expense, transaction costs, severance, change in fair value of contingent consideration common shares liability, and similar items of expense (income). AdaptHealth defines Adjusted EBITDA less Patient Equipment Capex as Adjusted EBITDA (as defined above) less patient equipment acquired during the period without regard to whether the equipment was purchased or financed through lease transactions. EBITDA, Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex should not be considered as measures of financial performance under U.S. GAAP, and the items excluded from EBITDA, Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex are significant components in understanding and assessing financial performance. Accordingly, these key business metrics have limitations as an analytical tool. They should not be considered as an alternative to net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of AdaptHealth's liquidity.

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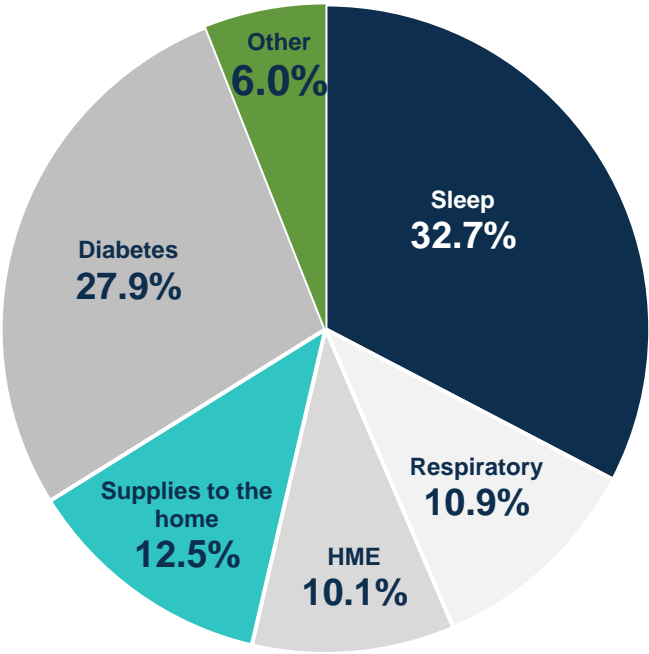
# Summary Financial Results

<u>(in thousands)</u>	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Sale revenue	\$ 262,219	\$ 91,435	\$ 759,297	\$ 316,451
Rental revenue	86,210	58,106	297,092	213,193
Total net revenue	\$ 348,429	\$ 149,541	\$ 1,056,389	\$ 529,644
Operating income <sup>(1)</sup>	\$ 35,750	\$ 714	\$ 74,790	\$ 29,696
Net loss attributable to AdaptHealth Corp. <sup>(2)</sup>	\$ (31,043)	\$ (3,426)	\$ (64,481)	\$ (14,996)
Adjusted EBITDA	\$ 79,365	\$ 33,669	\$ 205,619	\$ 123,021
Adjusted EBITDA less Patient Equipment Capex	\$ 58,512	\$ 21,837	\$ 142,483	\$ 75,600
<b><u>% of Revenue</u></b>				
Adjusted EBITDA	22.8%	22.5%	19.5%	23.2%
Adjusted EBITDA less Patient Equipment Capex	16.8%	14.6%	13.5%	14.3%

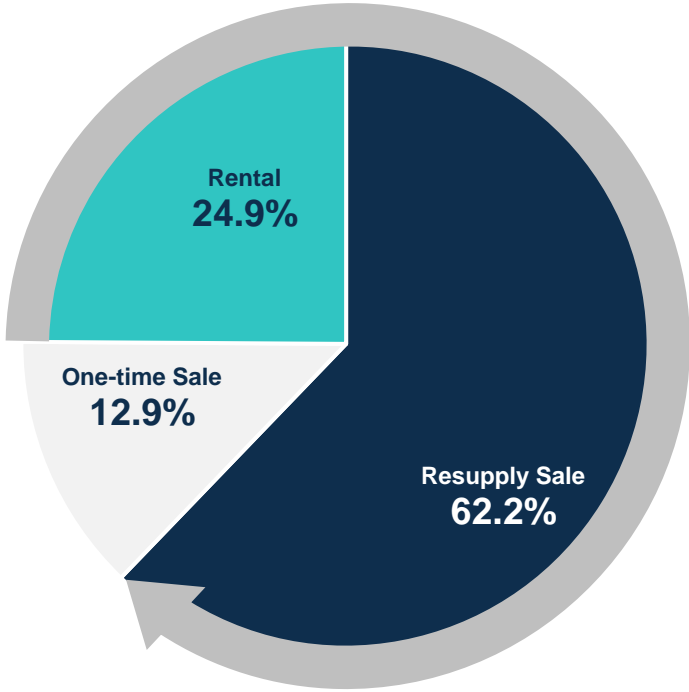
(1) The three and twelve months ended December 31, 2020 includes \$14.3 million of grant income recognized related to the CARES Act provider relief funds received in 2020.

(2) The three and twelve months ended December 31, 2020 includes a non-cash, pre-tax charge of \$56.9 million and \$98.7 million, respectively, relating from the change in fair value of contingent consideration common shares liability.

# Q4 2020 Business Mix Summary<sup>(1)</sup>

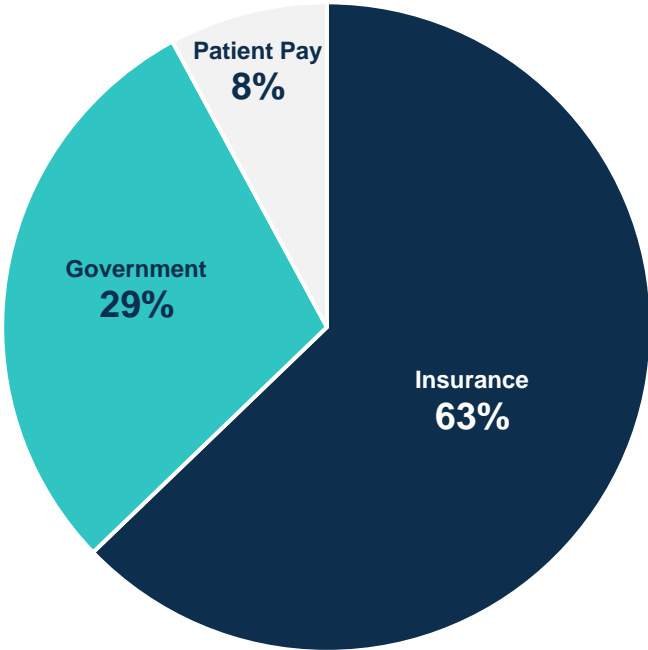


**Product**



More than 85% of revenue comes from recurring sales or rentals

**Sale Type**



**Payor**

(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their urgent needs for ventilation and oxygen equipment for COVID patients (\$2.0 million in Q4 2020). This was a new channel for AdaptHealth as our normal business models involve providing equipment and services to patients in the home.

# Revenue by Product

(in thousands)	Three Months Ended					Twelve Months Ended	
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Net sales revenue</b>							
Sleep	\$ 84,891	\$ 74,655	\$ 84,421	\$ 68,894	\$ 67,865	\$ 312,861	\$ 224,542
Diabetes	94,924	52,887	6,372	5,307	-	159,490	-
Supplies to the home	45,144	44,579	27,868	28,032	1,849	145,624	7,760
Respiratory	2,570	5,152	18,114	2,768	1,659	28,605	5,780
HME	18,724	14,998	12,727	11,579	10,889	58,029	42,487
Other	15,966	14,869	11,463	12,393	9,173	54,688	35,882
Total net sales revenue	\$ 262,219	\$ 207,140	\$ 160,965	\$ 128,973	\$ 91,435	\$ 759,297	\$ 316,451
% of total net revenue	75.3%	72.8%	69.2%	67.4%	61.1%	71.9%	59.7%
<b>Net revenue from fixed monthly equipment reimbursements</b>							
Sleep	\$ 28,078	\$ 24,971	\$ 22,644	\$ 22,669	\$ 23,084	\$ 98,362	\$ 80,846
Diabetes	1,521	946	-	-	-	2,467	-
Respiratory	35,728	32,269	30,856	25,007	21,333	123,860	81,418
HME	16,150	14,256	13,262	12,177	11,445	55,847	42,969
Other	4,733	4,823	4,389	2,613	2,244	16,556	7,960
Total net revenue from fixed monthly equipment reimbursements	\$ 86,210	\$ 77,265	\$ 71,151	\$ 62,466	\$ 58,106	\$ 297,092	\$ 213,193
% of total net revenue	24.7%	27.2%	30.8%	32.6%	38.9%	28.1%	40.3%
<b>Total net revenue</b>							
Sleep	\$ 112,969	\$ 99,626	\$ 107,065	\$ 91,563	\$ 90,949	\$ 411,223	\$ 305,388
Diabetes	96,445	53,833	6,372	5,307	-	161,957	-
Supplies to the home	45,144	44,579	27,868	28,032	1,849	145,624	7,760
Respiratory	38,298	37,421	48,970	27,775	22,992	152,465	87,198
HME	34,874	29,254	25,989	23,756	22,334	113,876	85,456
Other	20,699	19,692	15,852	15,006	11,417	71,244	43,842
Total net revenue	\$ 348,429	\$ 284,405	\$ 232,116	\$ 191,439	\$ 149,541	\$ 1,056,389	\$ 529,644

# Revenue by Sale Type

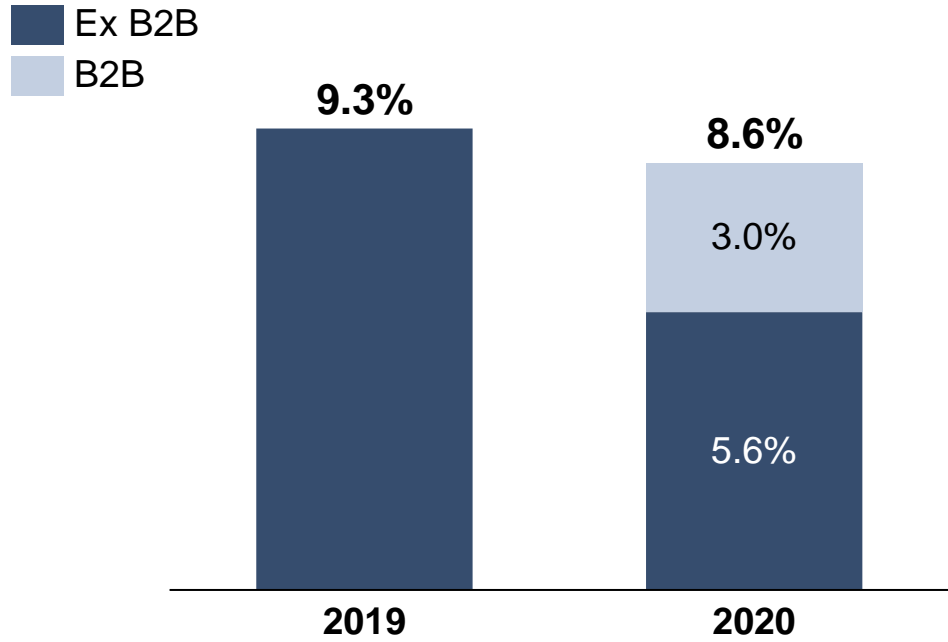
(in thousands)

	Three Months Ended						
	December 31, 2020 (Excl B2B) <sup>(1)</sup>	December 31, 2020	September 30, 2020 (Excl B2B) <sup>(1)</sup>	September 30, 2020	June 30, 2020 (Excl B2B) <sup>(1)</sup>	June 30, 2020	March 31, 2020
Resupply Sale	\$ 215,156	\$ 215,156	\$ 167,533	\$ 167,533	\$ 105,816	\$ 105,816	\$ 98,491
One-time Sale	44,664	47,063	35,715	39,607	27,710	55,149	30,482
Rental	86,011	86,210	76,829	77,265	70,159	71,151	62,466
<b>Total net revenue</b>	<b>\$ 345,831</b>	<b>\$ 348,429</b>	<b>\$ 280,077</b>	<b>\$ 284,405</b>	<b>\$ 203,685</b>	<b>\$ 232,116</b>	<b>\$ 191,439</b>
Resupply Sale	62.2%	61.8%	59.8%	58.9%	52.0%	45.6%	51.4%
One-time Sale	12.9%	13.5%	12.8%	13.9%	13.6%	23.7%	16.0%
Rental	24.9%	24.7%	27.4%	27.2%	34.4%	30.7%	32.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total Resupply Sale &amp; Rental</b>	<b>87.1%</b>	<b>86.5%</b>	<b>87.2%</b>	<b>86.1%</b>	<b>86.4%</b>	<b>76.3%</b>	<b>84.0%</b>

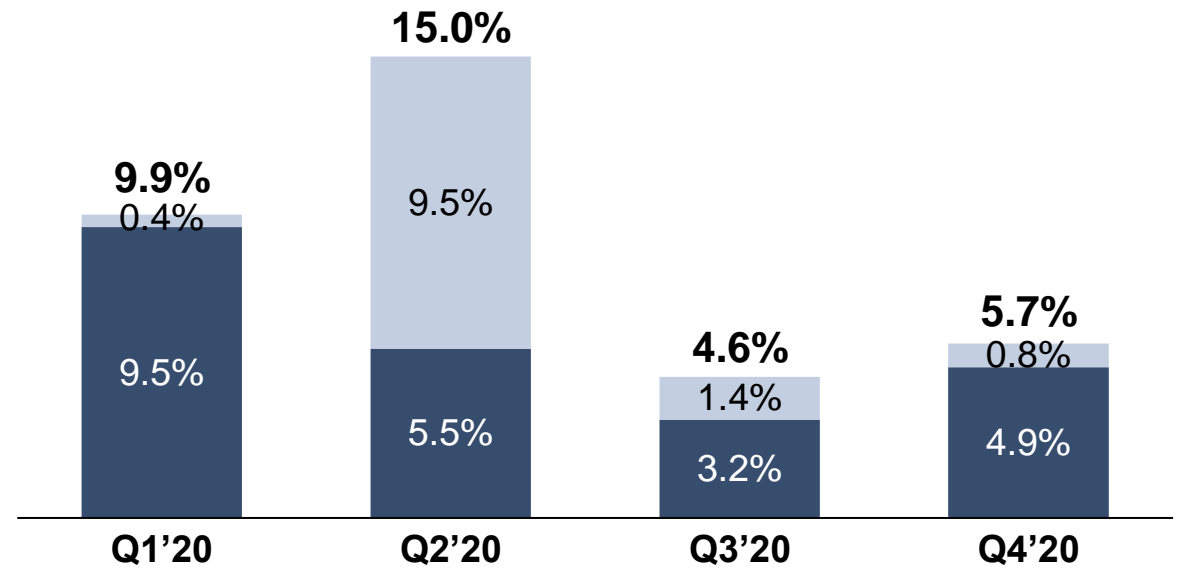
(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their urgent needs for ventilation and oxygen equipment for COVID patients. This was a new channel for AdaptHealth as our normal business models involve providing equipment and services to patients in the home.

# Consistent Strength in Year-on-Year Organic Revenue Growth

## Year-on-Year Pro Forma\* Growth



## 2020 Pro Forma\* Growth by Quarter



Q2 and Q3 organic growth negatively impacted by COVID-related new starts in Q2, predominantly PAP

Exiting year with significant rebound in PAP starts... expecting to exit Q1'21 at pre-pandemic levels given current vaccination trends

\* Organic growth as shown is defined as current period net revenue plus current period acquisition revenue divided by prior period net revenue plus prior period revenue for acquisition revenue. Acquisition revenue is confirmed through third-party Quality of Earnings ("QoE") reports where available and management estimates where QoE revenue is not available.

# Share Count Information

(in thousands)

	Common Stock		Warrants <sup>(5)</sup>
	Class A	Class B	
<b>Number of shares outstanding at September 30, 2020</b>	<b>81,037</b> <sup>(1)</sup>	<b>25,875</b>	<b>4,281</b>
Class A Common Stock issued in connection with acquisitions	1,196	-	-
Exchanges of Class B Common Stock for Class A Common Stock	10,971	(10,971)	-
Exchanges of Class B Common Stock for cash	-	(1,508)	-
Exercise of Blue Mountain call option	(1,899)	-	-
DFB merger Contingent Consideration Shares	1,000	-	-
Forfeitures of Class B Common Stock	-	(177)	-
Equity-based compensation activity	509	-	-
<b>Number of shares outstanding at Decemebr 31, 2020</b>	<b>92,814</b> <sup>(2)</sup>	<b>13,219</b>	<b>4,281</b>
Exchanges of Class B Common Stock for Class A Common Stock	13,219	(13,219)	-
Issuance of Class A Common Stock in connection with public offering	8,450	-	-
Equity consideration issued in connection with AeroCare acquisition	31,000 <sup>(3)</sup>	-	-
Employee Stock Purchase Plan activity	8	-	-
<b>Number of shares outstanding subsequent to activity above (as of February 5, 2020)</b>	<b>145,491</b> <sup>(4)</sup>	<b>-</b>	<b>4,281</b>

(1) Includes 18,356 as converted shares of Series B-1 Preferred Stock

(2) Includes 16,356 as converted shares of Series B-1 Preferred Stock

(3) Consists of (1) 13,993 shares of Class A Common Stock issued at closing, (2) 13,047 as converted shares of Series C Preferred Stock, and (3) 3,960 options to purchase shares of Class A Common Stock at a weighted-average exercise price of \$6.24 per share

(4) Includes (1) 13,606 as converted shares of Series B-1 Preferred Stock, (2) 13,047 as converted shares of Series C Preferred Stock, and (3) 3,960 options to purchase shares of Class A Common Stock at a weighted-average exercise price of \$6.24 per share

(5) Warrants have an exercise price of \$11.50





# Appendix



# Non-GAAP Reconciliation

(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Non-GAAP Reconciliation</b>				
Net income (loss) attributable to AdaptHealth Corp.	\$ (31,043)	\$ (3,425)	\$ (64,481)	\$ (14,996)
Income (loss) attributable to noncontrolling interests	3,541	775	5,763	2,111
Interest expense excluding change in FV of interest rate swaps	13,604	8,586	41,430	27,878
Interest expense (income) - Change in FV of interest rate swaps	-	(933)	-	11,426
Income tax expense (benefit)	(7,219)	(4,288)	(11,955)	1,156
Depreciation, including patient equipment depreciation	24,584	17,490	82,445	62,567
<b>EBITDA</b>	<b>3,467</b>	<b>18,205</b>	<b>53,202</b>	<b>90,142</b>
Loss on extinguishment of debt (a)	-	-	5,316	2,121
Equity-based compensation expense (b)	7,701	5,264	18,670	11,070
Transaction costs (c)	9,961	7,752	26,573	15,984
Severance (d)	2,351	1,580	5,596	2,301
Change in fair value of contingent consideration common shares liability (e)	56,867	-	98,717	-
Other non-recurring (income) expense (f)	(982)	869	(2,455)	1,403
<b>Adjusted EBITDA</b>	<b>79,365</b>	<b>33,670</b>	<b>205,619</b>	<b>123,021</b>
Less: Patient equipment capex (g)	(20,853)	(11,832)	(63,136)	(47,421)
<b>Adjusted EBITDA less Patient Equipment Capex</b>	<b>\$ 58,512</b>	<b>\$ 21,838</b>	<b>\$ 142,483</b>	<b>\$ 75,600</b>

(a) Represents write offs of deferred financing costs related to refinancing of debt.

(b) Represents amortization of equity-based compensation to employees and non-employee directors. The higher expense in 2020 is due to a full year of expense for awards granted in late 2019, and overall increased equity-compensation grant activity in 2020. The 2019 period includes expense resulting from accelerated vesting and modification of certain awards in that period.

(c) Represents transaction costs related to acquisitions. The 2019 period also includes costs associated with the 2019 Recapitalization and the Business Combination with DFB Healthcare Acquisitions Corp.

(d) Represents severance costs related to acquisition integration and internal AdaptHealth restructuring and workforce reduction activities.

(e) Represents non-cash charges for the change in the estimated fair value of contingent consideration common shares issuable as part of the Business Combination with DFB Healthcare Acquisitions Corp.

(f) The 2020 period includes \$4.2 million of net reductions in the fair value of contingent consideration liabilities related to acquisitions, a \$0.6 million gain in connection with the sale of a cost method investment, offset by a \$1.5 million expense associated with the PCS Transition Services Agreement and \$0.8 million of other non-recurring expenses.

(g) Represents the value of patient equipment obtained during the respective period without regard to whether the equipment is purchased or financed through lease transactions.

# Patient Capex Reconciliation

(in thousands)

	Twelve Months Ended	
	December 31, 2020	December 31, 2019
Patient equipment capex additions acquired under capital leases <sup>(1)</sup>	\$ 40,012	\$ 36,268
Cash paid during the period for fixed assets <sup>(2)</sup>	39,756	21,332
	<u>79,768</u>	<u>57,600</u>
Non patient equipment capex additions	(14,510)	(6,135)
Change in fixed asset accruals between beginning and end of period	(2,122)	(4,044)
Total patient equipment capex additions during the period	<u>\$ 63,136</u>	<u>\$ 47,421</u>

<sup>(1)</sup> Per non-cash investing and financing activities section of Consolidated Cash Flows Statement

<sup>(2)</sup> Per cash flows from investing activities section of Consolidated Cash Flows Statement