



 **adapt**health

Financial Supplement – Q1 2021

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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 the contingent consideration common shares liability, change in fair value of the warrant liability, and non-recurring 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

(in thousands)

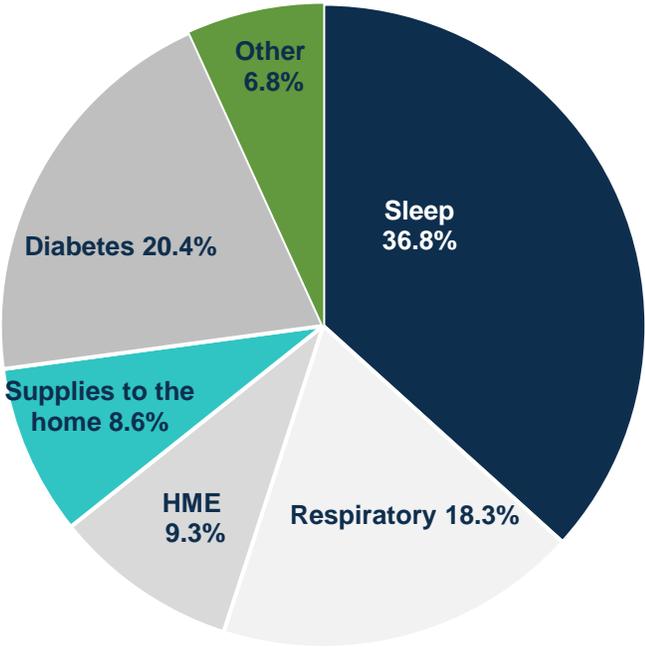
	Three Months Ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Sale revenue	\$ 317,265	\$ 262,219	\$ 207,140	\$ 160,965	\$ 128,973
Rental revenue	164,854	86,210	77,265	71,151	62,466
Total net revenue	\$ 482,119	\$ 348,429	\$ 284,405	\$ 232,116	\$ 191,439
Operating income ⁽¹⁾	\$ 15,409	\$ 34,297	\$ 13,259	\$ 15,570	\$ 8,220
Net income (loss) attributable to AdaptHealth Corp. ^{(2), (3)}	\$ (3,966)	\$ (80,516)	\$ (51,035)	\$ 4,470	\$ (34,551)
Adjusted EBITDA	\$ 104,175	\$ 79,365	\$ 53,160	\$ 42,634	\$ 30,460
Adjusted EBITDA less Patient Equipment Capex	\$ 61,917	\$ 58,512	\$ 35,912	\$ 30,566	\$ 17,493
% of Revenue					
Adjusted EBITDA	21.6%	22.8%	18.7%	18.4%	15.9%
Adjusted EBITDA less Patient Equipment Capex	12.8%	16.8%	12.6%	13.2%	9.1%

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

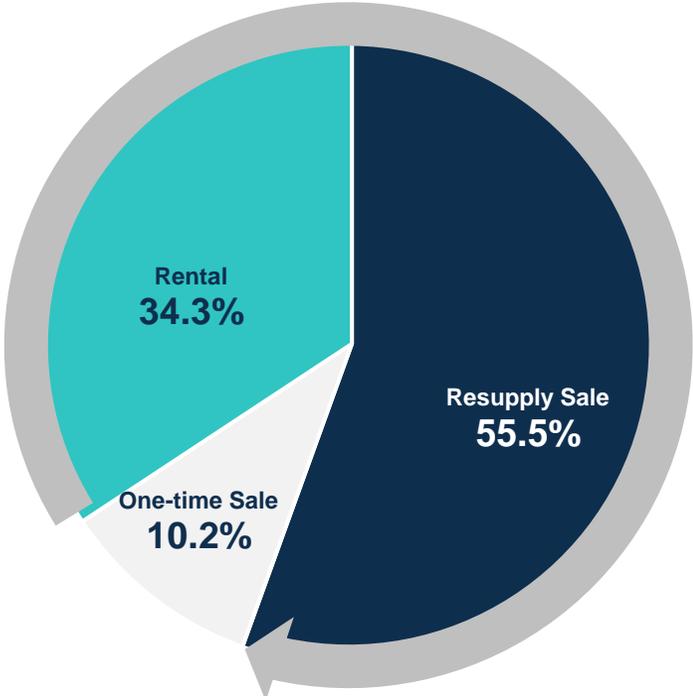
(2) Net income (loss) attributable to AdaptHealth Corp. includes non-cash charges or gains resulting from the changes in the estimated fair value of the Company's contingent consideration common shares liability and the Company's warrant liability. Changes in the fair value of such liabilities are recorded in earnings and have no impact on the Company's net revenues, operating income, or cash flows from operating activities, investing activities, and financing activities.

(3) Net income (loss) attributable to AdaptHealth Corp. for the 2020 quarterly periods have been restated from amounts reported in prior financial supplements as a result of the change in accounting for the Company's contingent consideration common shares and the Company's warrants. These changes had no impact on the Company's historical reported net revenues, operating income, or cash flows from operating activities, investing activities, and financing activities for any period. Refer to footnotes 2(a) and 20 in the Company's consolidated financial statements and related notes included in the Company's Form 10-K filed on March 16, 2021, and footnotes 2(a) and 20 in the Company's consolidated financial statements and related notes included in the Company's Form 10-K/A filed on April 30, 2021, for discussion of such restatements.

Q1 2021 Business Mix Summary⁽¹⁾

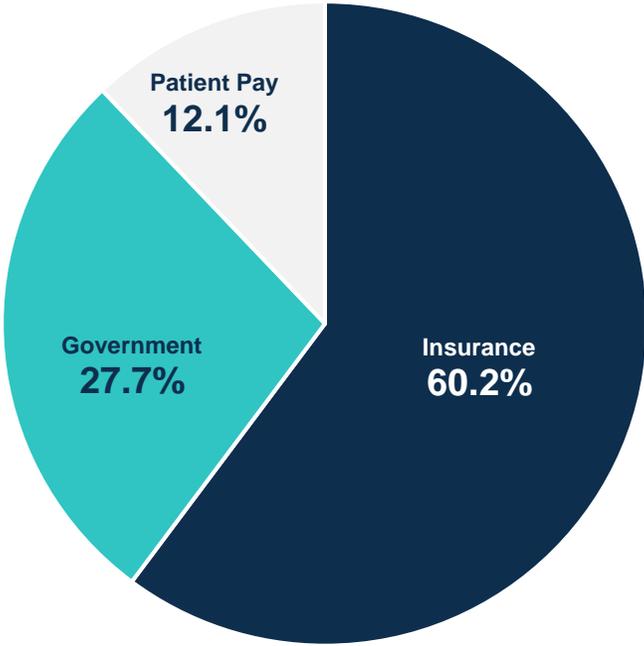


Product



Almost 90% 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 (\$1.3 million in Q1 2021). 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				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net sales revenue					
Sleep	\$ 128,682	\$ 84,890	\$ 74,655	\$ 84,421	\$ 68,894
Diabetes	95,017	94,924	52,887	6,372	5,307
Supplies to the home	41,363	45,145	44,579	27,868	28,032
Respiratory	5,621	2,571	5,152	18,114	2,768
HME	24,156	18,725	14,998	12,727	11,579
Other	22,426	15,964	14,869	11,463	12,393
Total net sales revenue	\$ 317,265	\$ 262,219	\$ 207,140	\$ 160,965	\$ 128,973
% of total net revenue	65.8%	75.3%	72.8%	69.2%	67.4%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 48,109	\$ 28,077	\$ 24,971	\$ 22,644	\$ 22,669
Diabetes	2,853	1,521	946	-	-
Respiratory	83,454	35,728	32,269	30,856	25,007
HME	20,380	16,152	14,256	13,262	12,177
Other	10,058	4,732	4,823	4,389	2,613
Total net revenue from fixed monthly equipment reimbursements	\$ 164,854	\$ 86,210	\$ 77,265	\$ 71,151	\$ 62,466
% of total net revenue	34.2%	24.7%	27.2%	30.8%	32.6%
Total net revenue					
Sleep	\$ 176,791	\$ 112,967	\$ 99,626	\$ 107,065	\$ 91,563
Diabetes	97,870	96,445	53,833	6,372	5,307
Supplies to the home	41,363	45,145	44,579	27,868	28,032
Respiratory	89,075	38,299	37,421	48,970	27,775
HME	44,536	34,877	29,254	25,989	23,756
Other	32,484	20,696	19,692	15,852	15,006
Total net revenue	\$ 482,119	\$ 348,429	\$ 284,405	\$ 232,116	\$ 191,439

Revenue by Sale Type

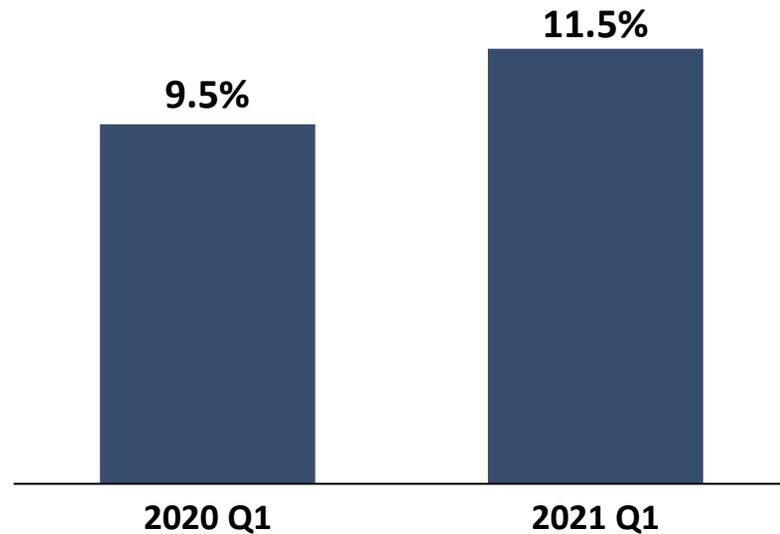
(in thousands)

	Three Months Ended							
	March 31, 2021 (Excl B2B) ⁽¹⁾	March 31, 2021	December 31, 2020 (Excl B2B) ⁽¹⁾	December 31, 2020	September 30, 2020 (Excl B2B) ⁽¹⁾	September 30, 2020	June 30, 2020 (Excl B2B) ⁽¹⁾	June 30, 2020
Resupply Sale	\$ 266,990	\$ 266,990	\$ 215,156	\$ 215,156	\$ 167,533	\$ 167,533	\$ 105,816	\$ 105,816
One-time Sale	49,096	50,275	44,664	47,063	35,715	39,607	27,710	55,149
Rental	164,730	164,854	86,011	86,210	76,829	77,265	70,159	71,151
Total net revenue	\$ 480,816	\$ 482,119	\$ 345,831	\$ 348,429	\$ 280,077	\$ 284,405	\$ 203,685	\$ 232,116
Resupply Sale	55.5%	55.4%	62.2%	61.8%	59.8%	58.9%	52.0%	45.6%
One-time Sale	10.2%	10.4%	12.9%	13.5%	12.8%	13.9%	13.6%	23.7%
Rental	34.3%	34.2%	24.9%	24.7%	27.4%	27.2%	34.4%	30.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Resupply Sale & Rental	89.8%	89.6%	87.1%	86.5%	87.2%	86.1%	86.4%	76.3%

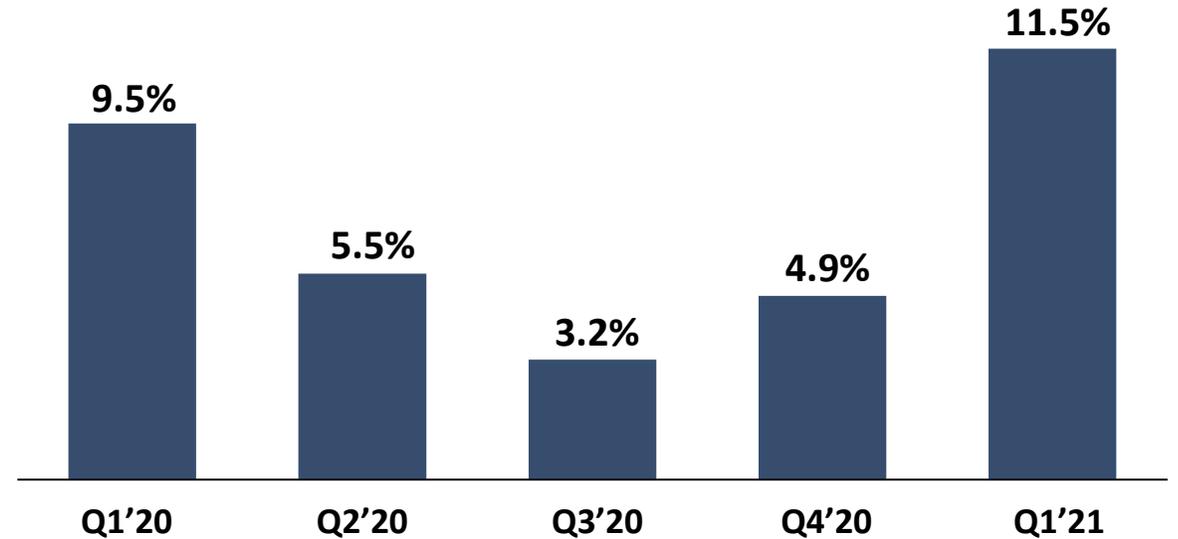
(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their urgent needs for ventilation and oxygen equipment for COVID patients. This was a new channel for AdaptHealth as our normal business models involve providing equipment and services to patients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

Consistent Strength in Year-on-Year Revenue Growth

Year-on-Year ProForma* Growth



ProForma* Growth by Quarter



Strong Q1 organic growth supported by AeroCare and Diabetes strength driven by Continuous Glucose Monitors

Share Count Information

(in thousands)	Common Stock		Warrants ⁽³⁾
	Class A	Class B	
Number of shares outstanding at December 31, 2020	92,814 ⁽¹⁾	13,219	4,281
Exchanges of Class B Common Stock for Class A Common Stock	13,219	(13,219)	-
Class A Common Stock issued in connection with acquisitions	27,139	-	-
Issuance of Class A Common Stock in connection with public offering	8,450	-	-
Equity-based compensation activity	162	-	-
Employee Stock Purchase Plan activity	8	-	-
Number of shares outstanding at March 31, 2021	141,792 ⁽²⁾	-	4,281
Class A Common Stock issued in connection with acquisitions	245	-	-
Equity-based compensation activity	96	-	-
Number of shares outstanding subsequent to activity above (as of May 1, 2021)	142,133 ⁽²⁾	-	4,281

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

(2) Includes 12,406 as converted shares of Series B-1 Preferred Stock

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



Appendix



Non-GAAP Reconciliation

(in thousands)

	Three Months Ended				
	March 31, 2021	December 31, 2020 ⁽¹⁾	September 30, 2020 ⁽¹⁾	June 30, 2020 ⁽¹⁾	March 31, 2020 ⁽¹⁾
Non-GAAP Reconciliation					
Net loss attributable to AdaptHealth Corp.	\$ (3,966)	\$ (80,516)	\$ (51,035)	\$ 4,470	\$ (34,551)
Income (loss) attributable to noncontrolling interests	324	(9,996)	(10,944)	3,388	(14,902)
Interest expense, net	22,185	13,603	12,407	7,482	7,938
Income tax expense (benefit)	(1,695)	(7,219)	(4,921)	1,826	(1,641)
Depreciation and amortization, including patient equipment depreciation	47,206	24,583	22,748	18,374	16,740
EBITDA	64,054	(59,545)	(31,745)	35,540	(26,416)
Loss on extinguishment of debt (a)	4,213	-	5,316	-	-
Equity-based compensation expense (b)	8,582	7,702	5,501	3,244	2,223
Transaction costs (c)	31,854	9,962	10,212	3,541	2,858
Severance (d)	939	2,351	921	1,905	419
Change in fair value of contingent consideration common shares liability (e)	(1,965)	56,867	25,525	(42)	16,367
Change in fair value of warrant liability (f)	(3,168)	63,010	36,912	(654)	36,100
Other non-recurring expense (income) (g)	(334)	(982)	518	(900)	(1,091)
Adjusted EBITDA	104,175	79,365	53,160	42,634	30,460
Less: Patient equipment capex (h)	(42,258)	(20,853)	(17,248)	(12,068)	(12,967)
Adjusted EBITDA less Patient Equipment Capex	\$ 61,917	\$ 58,512	\$ 35,912	\$ 30,566	\$ 17,493

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

(b) Represents equity-based compensation expense for awards granted to employees and non-employee directors. The higher expense in the 2021 period is due to overall increased equity compensation grant activity in that period, as well as expense resulting from accelerated vesting of certain awards in that period.

(c) Represents transaction costs related to acquisitions.

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

(e) Represents a non-cash charge or gain for the change in the estimated fair value of contingent consideration common shares liability.

(f) Represents a non-cash charge or gain for the change in the estimated fair value of the warrant liability.

(g) The 2021 period includes a gain of \$0.5 million for the receipt of earnout proceeds in connection with a cost method investment that was sold in 2020, offset by a \$0.2 million charge for the increase in the fair value of a contingent consideration liability related to an acquisition.

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

(1) Certain amounts in these columns have been restated from amounts reported in prior financial supplements as a result of the change in accounting for the Company's contingent consideration common shares and the Company's warrants. These changes had no impact on the Company's historical reported net revenues, operating income, or Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex for any period. Refer to footnotes 2(a) and 20 in the Company's consolidated financial statements and related notes included in the Company's Form 10-K filed on March 16, 2021, and footnotes 2(a) and 20 in the Company's consolidated financial statements and related notes included in the Company's Form 10-K/A filed on April 30, 2021, for discussion of such restatements.