



 **adapt**health

Financial Supplement – Q2 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.

No Offer or Solicitation

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Summary Financial Results

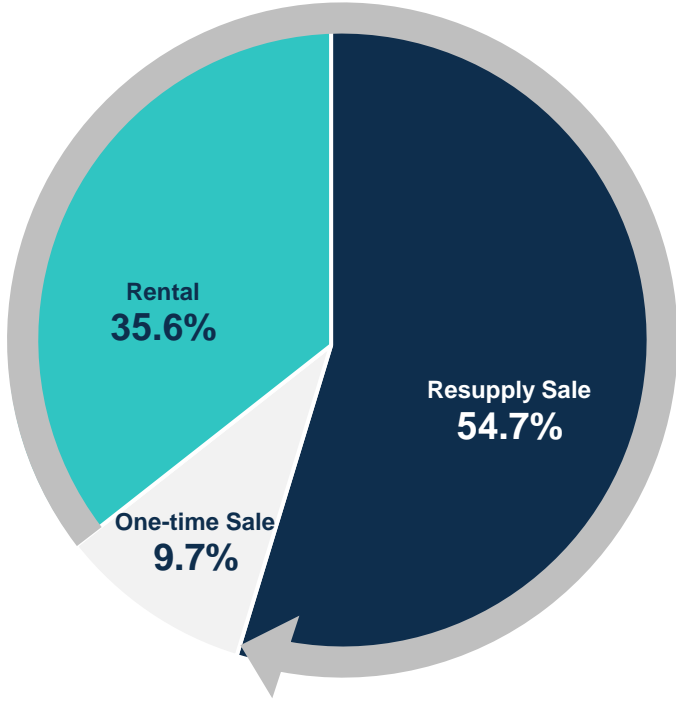
(in thousands)

| | Three Months Ended | | | | |
|--|--------------------|-------------------|----------------------|-----------------------|------------------|
| | June 30, 2021 | March 31, 2021 | December 31, 2020 | September 30, 2020 | June 30, 2020 |
| Sales revenue | \$ 400,579 | \$ 317,265 | \$ 262,219 | \$ 207,140 | \$ 160,965 |
| Rental revenue | 216,438 | 164,854 | 86,210 | 77,265 | 71,151 |
| Total net revenue | \$ 617,017 | \$ 482,119 | \$ 348,429 | \$ 284,405 | \$ 232,116 |
| Operating income ⁽¹⁾ | \$ 65,407 | \$ 15,409 | \$ 34,297 | \$ 13,259 | \$ 15,570 |
| Net income (loss) attributable to AdaptHealth Corp. ⁽²⁾ | \$ 79,107 | \$ (3,966) | \$ (80,516) | \$ (51,035) | \$ 4,470 |
| Adjusted EBITDA | \$ 147,391 | \$ 104,175 | \$ 79,365 | \$ 53,160 | \$ 42,634 |
| Adjusted EBITDA less Patient Equipment Capex | \$ 98,866 | \$ 61,917 | \$ 58,512 | \$ 35,912 | \$ 30,566 |
| <u>% of Revenue</u> | | | | | |
| Adjusted EBITDA | 23.9% | 21.6% | 22.8% | 18.7% | 18.4% |
| Adjusted EBITDA less Patient Equipment Capex | 16.0% | 12.8% | 16.8% | 12.6% | 13.2% |

(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.

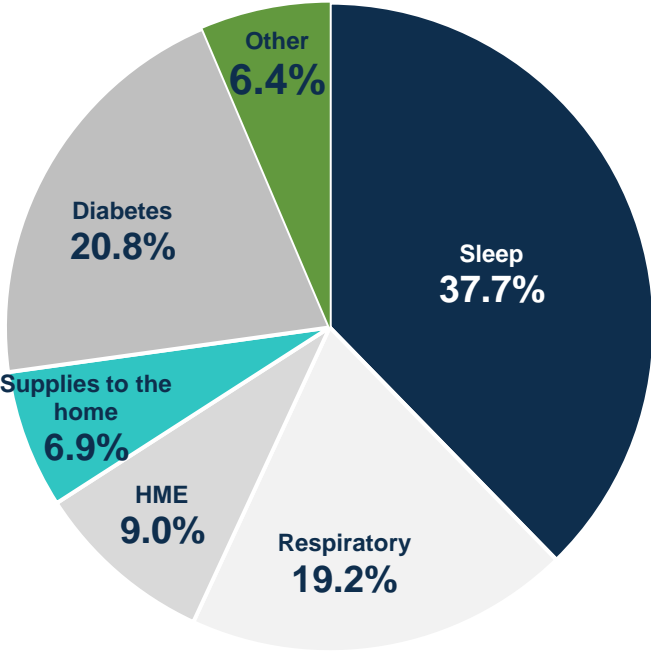
(2) Net income (loss) attributable to AdaptHealth Corp. includes non-cash charges or gains resulting from the changes in the estimated fair value of the Company's contingent consideration common shares liability and the Company's warrant liability. Changes in such liabilities are marked to market and recorded in earnings.

Q2 2021 Business Mix Summary⁽¹⁾

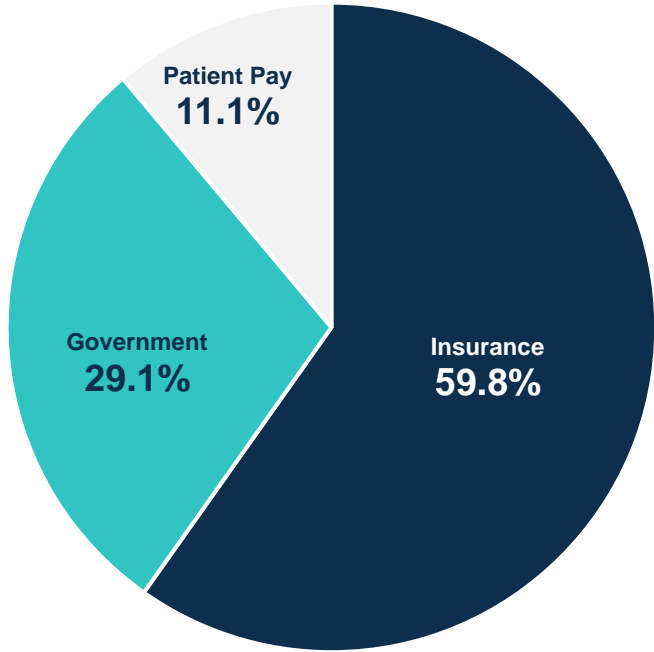


More than 90% of revenue comes from recurring sales or rentals

Sale Type



Product



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 (\$8.6 million in Q2 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 | | | | |
|--|--------------------|-------------------|----------------------|-----------------------|------------------|
| | June 30, 2021 | March 31, 2021 | December 31, 2020 | September 30, 2020 | June 30, 2020 |
| Net sales revenue | | | | | |
| Sleep | \$ 163,331 | \$ 128,682 | \$ 84,890 | \$ 74,655 | \$ 84,421 |
| Diabetes | 123,314 | 95,017 | 94,924 | 52,887 | 6,372 |
| Supplies to the home | 42,675 | 41,363 | 45,145 | 44,579 | 27,868 |
| Respiratory | 13,136 | 5,621 | 2,571 | 5,152 | 18,114 |
| HME | 30,360 | 24,156 | 18,725 | 14,998 | 12,727 |
| Other | 27,763 | 22,426 | 15,964 | 14,869 | 11,463 |
| Total net sales revenue | \$ 400,579 | \$ 317,265 | \$ 262,219 | \$ 207,140 | \$ 160,965 |
| % of total net revenue | 64.9% | 65.8% | 75.3% | 72.8% | 69.2% |
| Net revenue from fixed monthly equipment reimbursements | | | | | |
| Sleep | \$ 66,335 | \$ 48,109 | \$ 28,077 | \$ 24,971 | \$ 22,644 |
| Diabetes | 3,216 | 2,853 | 1,521 | 946 | - |
| Respiratory | 111,546 | 83,454 | 35,728 | 32,269 | 30,856 |
| HME | 24,431 | 20,380 | 16,152 | 14,256 | 13,262 |
| Other | 10,910 | 10,058 | 4,732 | 4,823 | 4,389 |
| Total net revenue from fixed monthly equipment reimbursements | \$ 216,438 | \$ 164,854 | \$ 86,210 | \$ 77,265 | \$ 71,151 |
| % of total net revenue | 35.1% | 34.2% | 24.7% | 27.2% | 30.8% |
| Total net revenue | | | | | |
| Sleep | \$ 229,666 | \$ 176,791 | \$ 112,967 | \$ 99,626 | \$ 107,065 |
| Diabetes | 126,530 | 97,870 | 96,445 | 53,833 | 6,372 |
| Supplies to the home | 42,675 | 41,363 | 45,145 | 44,579 | 27,868 |
| Respiratory | 124,682 | 89,075 | 38,299 | 37,421 | 48,970 |
| HME | 54,791 | 44,536 | 34,877 | 29,254 | 25,989 |
| Other | 38,673 | 32,484 | 20,696 | 19,692 | 15,852 |
| Total net revenue | \$ 617,017 | \$ 482,119 | \$ 348,429 | \$ 284,405 | \$ 232,116 |

Revenue by Sale Type

(in thousands)

| | Three Months Ended | | | | | | | |
|---|---|------------------|--|-------------------|---|----------------------|--|-----------------------|
| | June 30, 2021 (Excl B2B) ⁽¹⁾ | June 30, 2021 | 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 |
| Resupply Sale | \$ 332,719 | \$ 332,719 | \$ 266,990 | \$ 266,990 | \$ 215,156 | \$ 215,156 | \$ 167,533 | \$ 167,533 |
| One-time Sale | 59,309 | 67,860 | 49,096 | 50,275 | 44,664 | 47,063 | 35,715 | 39,607 |
| Rental | 216,438 | 216,438 | 164,730 | 164,854 | 86,011 | 86,210 | 76,829 | 77,265 |
| Total net revenue | \$ 608,466 | \$ 617,017 | \$ 480,816 | \$ 482,119 | \$ 345,831 | \$ 348,429 | \$ 280,077 | \$ 284,405 |
| Resupply Sale | 54.7% | 53.9% | 55.5% | 55.4% | 62.2% | 61.8% | 59.8% | 58.9% |
| One-time Sale | 9.7% | 11.0% | 10.2% | 10.4% | 12.9% | 13.5% | 12.8% | 13.9% |
| Rental | 35.6% | 35.1% | 34.3% | 34.2% | 24.9% | 24.7% | 27.4% | 27.2% |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total Resupply Sale & Rental | 90.3% | 89.0% | 89.8% | 89.6% | 87.1% | 86.5% | 87.2% | 86.1% |

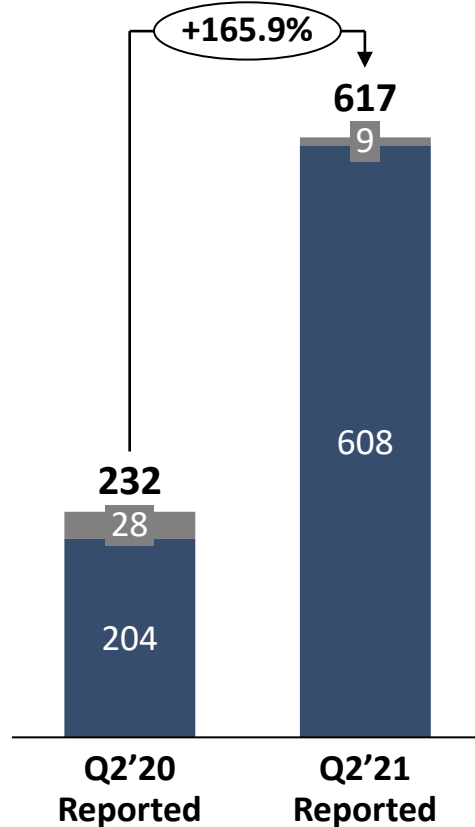
(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their urgent needs for ventilation and oxygen equipment for COVID patients. This was a new channel for AdaptHealth as our normal business models involve providing equipment and services to patients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

Consistent Strength in Year-on-Year Revenue Growth

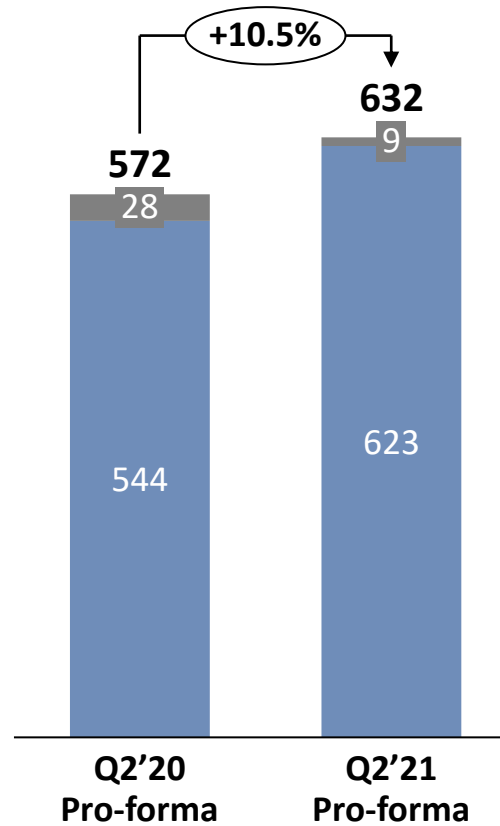
■ B2B

In millions

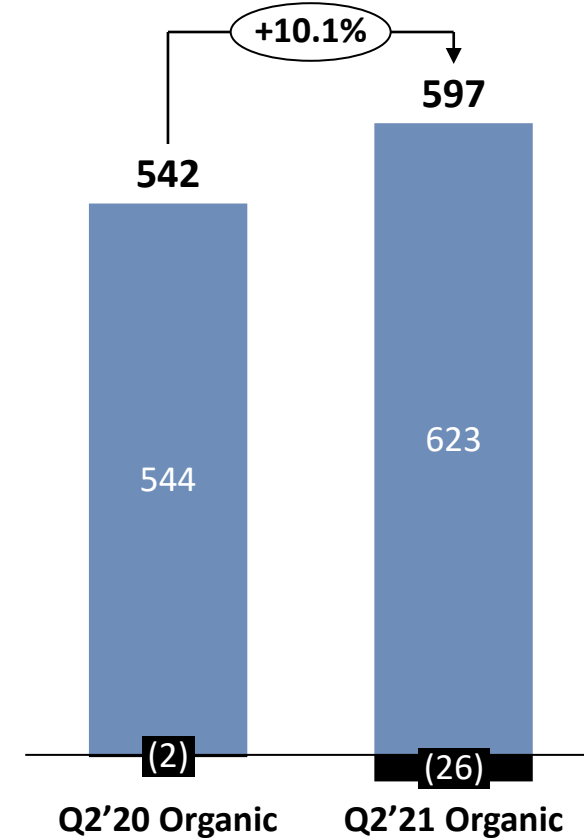
Reported Net Revenue Growth



Pro-forma Net Revenue Growth*



Organic Net Revenue Growth**



* **Pro-forma net revenue** is presented in accordance with ASC 805 - "Business Combinations" as if acquired companies were owned by the Company as of the beginning of the earliest period presented. These amounts will be further detailed in our Form 10-Q to be filed with the Securities and Exchange Commission.

** **Organic net revenue** is defined as pro-forma net revenue, excluding B2B net revenue and net revenue from AeroCare acquisitions completed between January 1, 2020 and AdaptHealth's acquisition of AeroCare.

Share Count Information

| <u>(in thousands)</u> | <u>Common Stock</u> |
|--|-------------------------------|
| Number of common shares outstanding at March 31, 2021 | 141,792 ⁽¹⁾ |
| Common Stock issued in connection with acquisitions | 441 |
| Equity-based compensation activity | 237 |
| Number of common shares outstanding at June 30, 2021 | 142,470 ⁽¹⁾ |
| Other potential shares of common stock outstanding: | |
| Warrants | 4,281 ⁽²⁾ |
| Stock options | 6,997 ⁽³⁾ |
| Unvested restricted stock | 2,336 |
| Contingent consideration common shares | 2,000 |
| Number of diluted shares outstanding at June 30, 2021 | 158,084 ⁽¹⁾ |

- (1) Includes 12,406 as converted shares of Series B-1 Preferred Stock
- (2) Warrants have an exercise price of \$11.50 per share
- (3) Stock options have a weighted-average exercise price of \$11.02 per share



Appendix



Non-GAAP Reconciliation

(in thousands)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|-------------------|------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| Non-GAAP Reconciliation | | | | |
| Net income (loss) attributable to AdaptHealth Corp. | \$ 79,107 | \$ 4,470 | \$ 75,141 | \$ (30,081) |
| Income (loss) attributable to noncontrolling interests | 951 | 3,388 | 1,275 | (11,514) |
| Interest expense, net | 23,147 | 7,482 | 45,332 | 15,420 |
| Income tax expense | 12,330 | 1,826 | 10,635 | 185 |
| Depreciation and amortization, including patient equipment depreciation | 63,793 | 18,374 | 110,999 | 35,114 |
| EBITDA | 179,328 | 35,540 | 243,382 | 9,124 |
| Loss on extinguishment of debt (a) | 7,736 | - | 11,949 | - |
| Equity-based compensation expense (b) | 7,447 | 3,244 | 16,029 | 5,467 |
| Transaction costs (c) | 8,100 | 3,541 | 39,954 | 6,399 |
| Severance (d) | 594 | 1,905 | 1,533 | 2,324 |
| Change in fair value of contingent consideration common shares liability (e) | (22,079) | (42) | (24,044) | 16,325 |
| Change in fair value of warrant liability (f) | (37,454) | (654) | (40,622) | 35,446 |
| Other non-recurring expense (income) (g) | 3,719 | (900) | 3,385 | (1,991) |
| Adjusted EBITDA | 147,391 | 42,634 | 251,566 | 73,094 |
| Less: Patient equipment capex (h) | (48,525) | (12,068) | (90,783) | (25,035) |
| Adjusted EBITDA less Patient Equipment Capex | \$ 98,866 | \$ 30,566 | \$ 160,783 | \$ 48,059 |

- (a) Represents write offs of unamortized deferred financing costs related to refinancing of debt and pre-payment penalties for early debt payoff.
- (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, including accelerated vesting of certain awards in connection with the separation of the Company's former Co-CEO.
- (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 the 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 year-to-date period includes \$1.5 million of expenses related to legal and other costs associated with the separation of the Company's former Co-CEO, \$0.9 million of expenses associated with legal settlements for employee and other matters, \$1.0 million of expenses associated with lease terminations, a \$0.3 million charge for the increase in the fair value of a contingent consideration liability related to an acquisition, and \$0.2 million of other non-recurring charges, offset by a gain of \$0.5 million for the receipt of earnout proceeds in connection with the sale of an investment. The 2020 year-to-date period includes \$2.9 million of reductions in the fair value of contingent consideration liabilities related to acquisitions, a \$0.6 million gain related to the sale of an investment, offset by a \$1.5 million expense related to a transition services agreement executed in connection with an acquisition completed in 2020.
- (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.