



 **adapt**health

Investor Presentation

November 2019

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The 3rd Largest Provider of HME in the United States

- + Comprehensive portfolio of HME products for sale and rental
- + Addressing a growing \$12 - \$15bn segment within the broader \$56bn HME industry
- + Serve 1mm patients and perform 7,000+ deliveries per day
- + Successful track record of growth, accretive capital deployment, and market-leading profitability
- + Best-in-class technology platform
- + Long-standing and diverse referral relationships and attractive payor mix
- + Proven, seasoned management team and Board of Directors
- + Projecting significant growth in net revenues and Adjusted EBITDA through 2020

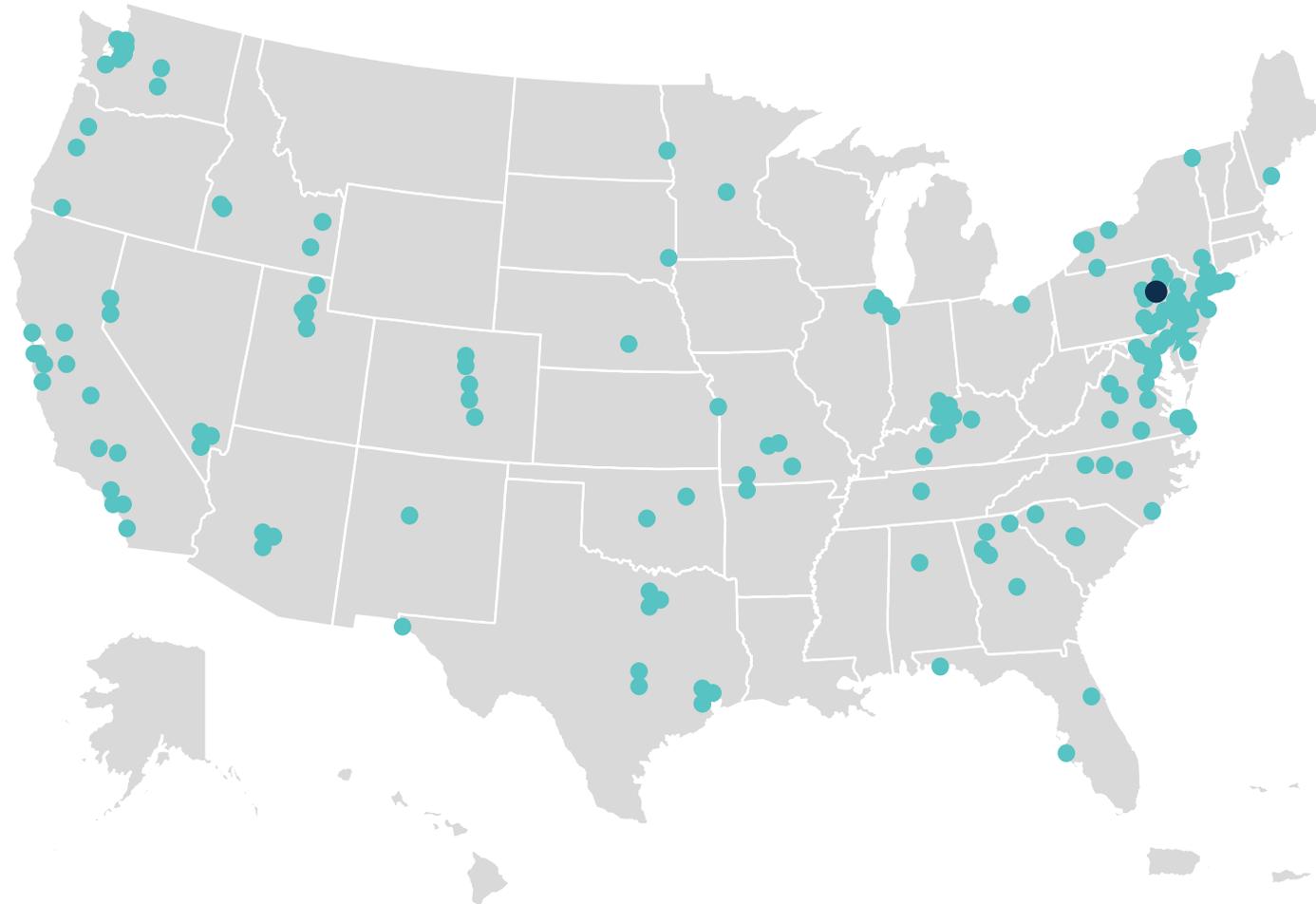
Ticker	AHCO; AHCOW
Headquarters	Plymouth Meeting, PA
Outstanding Shares	72.4mm ⁽³⁾
Market Cap (11/14)	\$644mm
9 Mo. '19 Net Revenue ⁽¹⁾	\$380.1mm; up 60.7%
9 Mo. '19 Adjusted EBITDA ^(1,2)	\$89.4mm; up 52.1%
9 Mo. '19 Adjusted EBITDA Less Patient Cap-Ex ^(1,2)	\$53.8mm; up 74.4%

2020 FY Financial Targets (excluding acquisitions)

Net Revenue	\$582.7mm
Adjusted EBITDA ⁽²⁾	\$142mm
Adjusted EBITDA Less Patient Cap-Ex ⁽²⁾	\$88.1 mm

AdaptHealth's Nationwide Footprint

150+ Locations servicing 49 States



● Corporate HQ

Proven & Experienced Leadership

AdaptHealth Leadership Team

Luke McGee

Chief Executive Officer

- Chairman and CEO of AdaptHealth since 2012; built business from \$7mm of revenue in first acquisition
- Led the Company's proven acquisition track record and developing a scalable platform with robust integration systems that can accommodate future growth
- Prior to AdaptHealth, worked in the investment banking groups at Deutsche Bank and Merrill Lynch

Josh Parnes

President

- Joined AdaptHealth in 2013 with the acquisition of Ocean Home Health
- Built Ocean Home Health from a startup into a successful HME provider
- 15 years of operating experience in HME

Gregg Holst

Chief Financial Officer

- Joined AdaptHealth in 2014
- Previously served as CFO for various publicly traded and private equity-backed companies in the healthcare and consumer products sectors
- Spent eight years at GE Capital in several senior finance roles

Shaw Rietkerk

Chief Revenue Officer

- Joined AdaptHealth in 2018
- Most recently served as Executive Vice President of Revenue Cycle Management at Brightree
- Prior operational and support services experience at various companies including M*Modal

Chris Joyce

General Counsel

- Joined AdaptHealth in 2018
- Over 20 years of experience as Chief Legal Officer for provider-based and managed care companies
- Most recently served as General Counsel of InovaCare, Inc., a \$2.0 billion managed care insurance company with 450,000 Medicare and Medicaid beneficiaries

Wendy Russalesi

Chief Compliance Officer

- Joined AdaptHealth in 2013
- 25 years experience in HME and regulatory compliance
- Certified in Healthcare Compliance (CHC)

Richard Barasch

Chairman

- Over 30 years of experience in healthcare services, health insurance and related industries
- Former Chairman and CEO of Universal American, a NYSE health insurance and healthcare services company, from 1995 until its sale to WellCare Health Plans in April 2017

Source: Management

HME Is Critical To Serving Patients At Home

Industry provides a strategic entry point to patients in the home

What is HME?

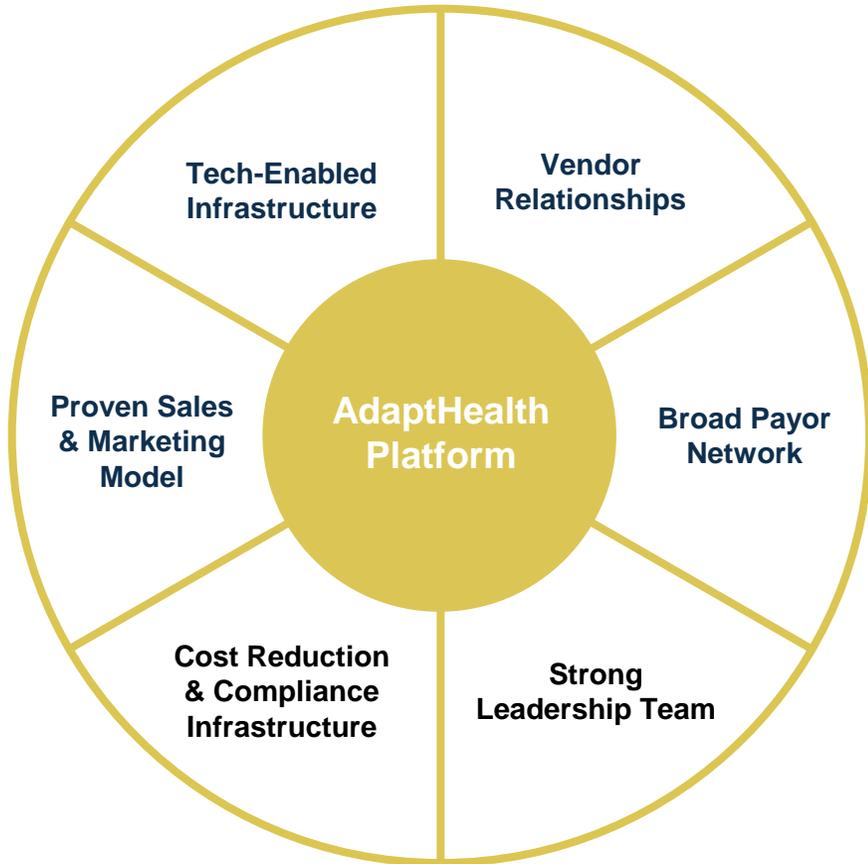
- + HME service providers deliver critical medical equipment into a patient's home
- + Primarily serve patients with need for respiratory and/or mobility equipment
- + Includes products such as oxygen equipment, CPAP, wheelchairs, hospital beds, bathroom aids, and rehabilitation equipment
- + Strategically valuable channel to chronically ill homecare patients



Why is HME critical to home care?

- + Enables patients with complex conditions to transition to their preferred home setting
- + Provides for greater patient independence and better outcomes
- + Addresses large, growing medical issues
- + High-touch model creates trusted patient relationships
- + Complete solution for high-frequency home care

Fully Integrated, Centralized Platform

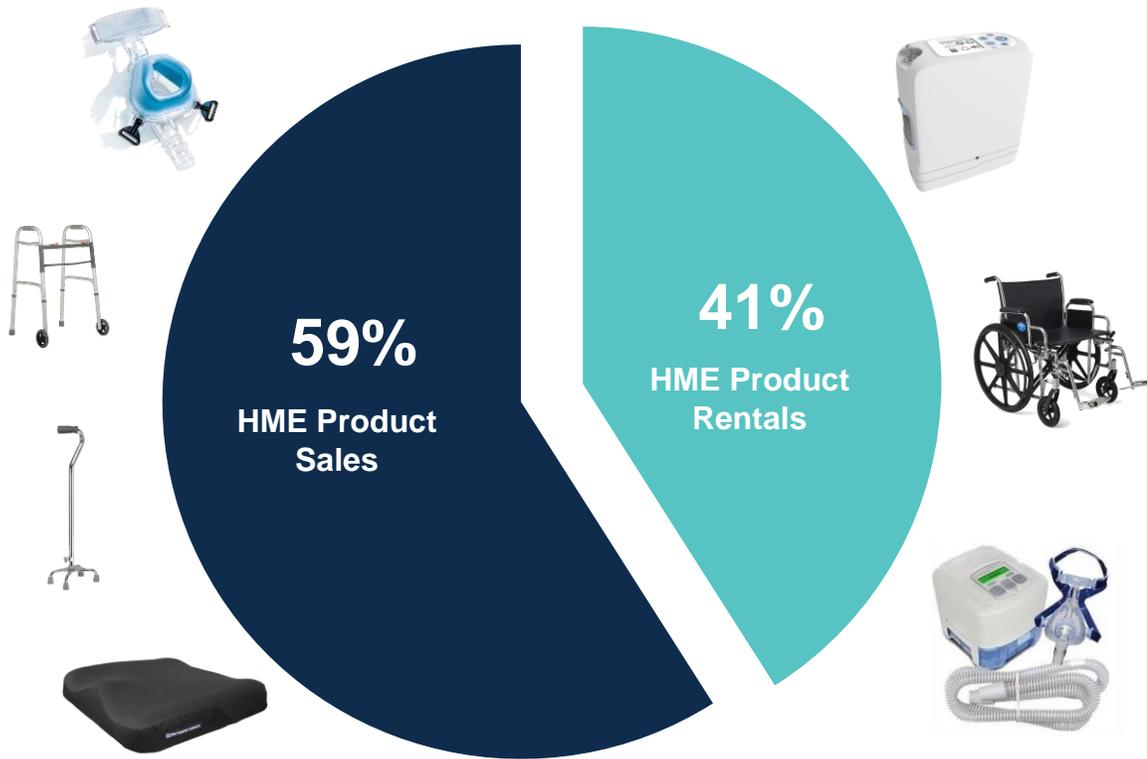


Tech-Enabled Infrastructure:

- ✓ Electronic portal / interface
- ✓ Proprietary workflow technology
- ✓ Improved efficiency from time of order to delivery
- ✓ Easy for physicians to use
- ✓ Automated, integrated workflow for patients' care plans
- ✓ Improved compliance

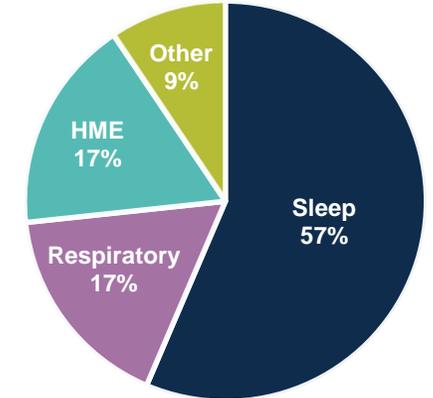
Diverse Product Offering & Payor Mix

Revenue Breakdown at 9/30/19
Net Revenue = \$380.1mm *

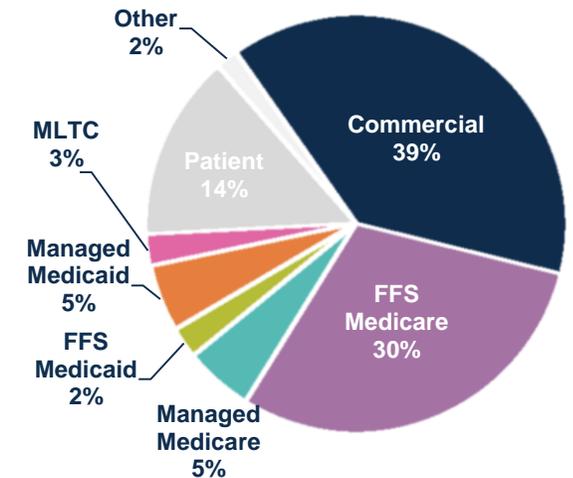


*Less Provision for Doubtful Accounts

Product Mix



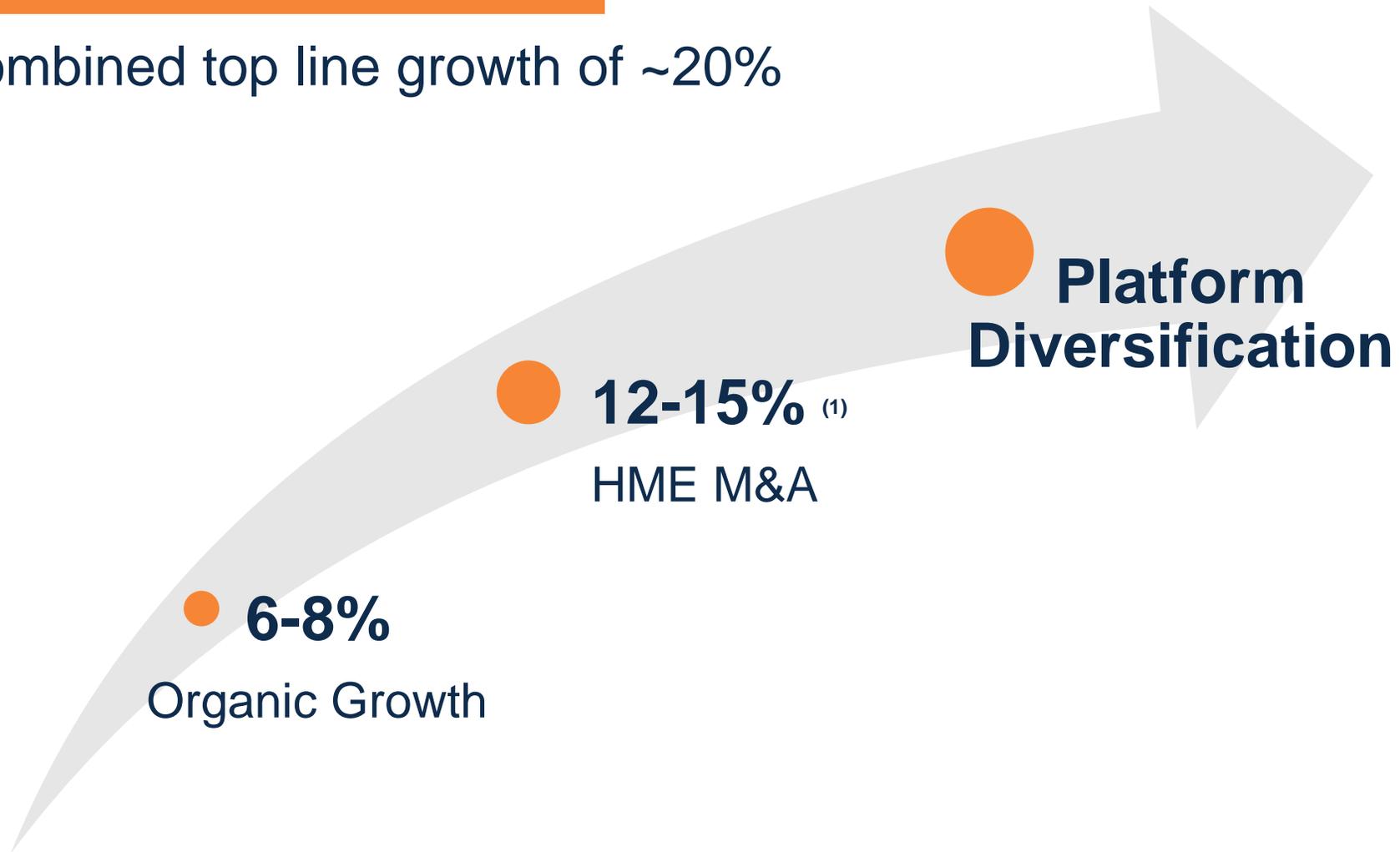
Payor Mix



Source: Management Notes: 1. YTD September 30, 2019 2. Payor Mix based on revenue before provision for doubtful accounts 3. Product mix based on revenue less provision for doubtful accounts

Multiple Growth Levers

Targeted combined top line growth of ~20%



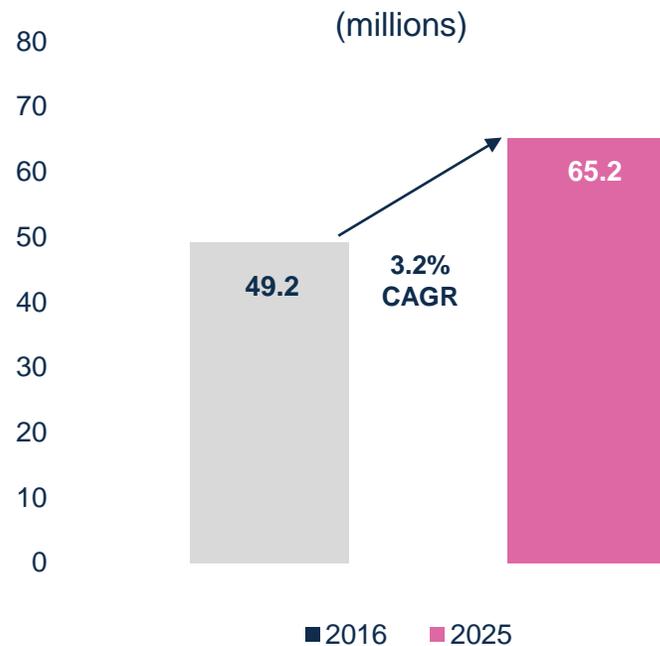
Source: Management

(1) 12-15% growth through HME M&A is based on \$100mm in revenue per year

Organic Growth: Aging Population

Population 65+ is growing 6.5x faster than overall population growth

US Population Aged 65+



Product & Services Needed by Aging Seniors



Oxygen



Wheelchairs



Beds



Walkers



Commodes



Ventilation

Organic Growth: Sleep / CPAP



26%

Adults 30-70 Years old
are estimated to have sleep apnea ⁽¹⁾



~ 80%

Undiagnosed Sleep Apnea



54mm

People in the US with AHI ≥ 5 ^(2,3)

24mm

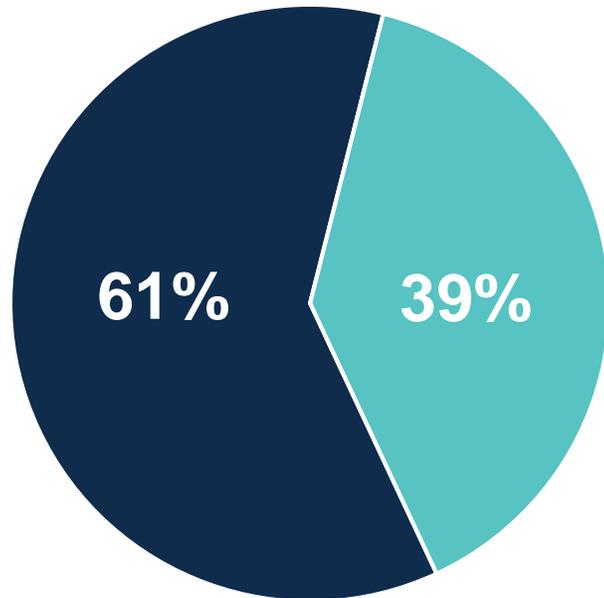
People in the US with AHI ≥ 15 ^(2,3)

(1) AASM; <https://aasm.org/rising-prevalence-of-sleep-apnea-in-u-s-threatens-public-health/> (2) ATS Journals; https://www.atsjournals.org/doi/pdf/10.1164/ajrccm-conference.2018.197.1_MeetingAbstracts.A3962 (3) Apnea Hypoxia Index

Organic Growth: Increase HME Mix

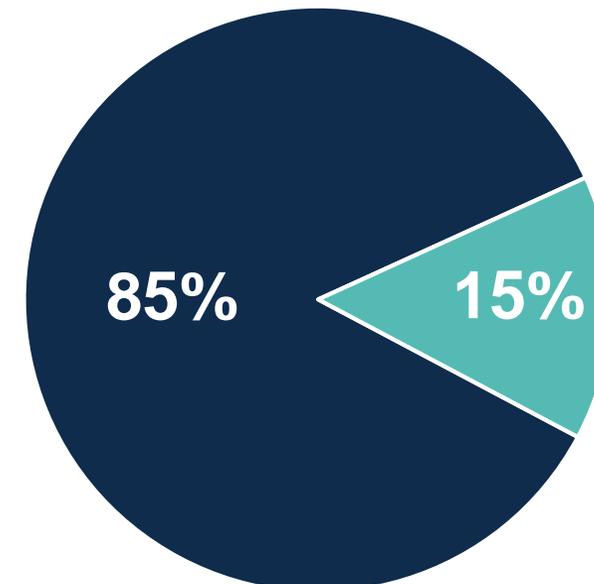
Opportunity to grow HME revenue by \$105mm annually in markets outside of NJ, PA & NY ⁽¹⁾

Revenue Mix – NJ / PA / NY



■ Respiratory/Sleep ■ HME/Other

Revenue Mix – Other Markets



■ Respiratory/Sleep ■ HME/Other

Source: Management. YTD September 30, 2019

(1) \$105mm opportunity is based on growing HME business to a mix similar to that of PA, NJ and NY while keeping Respiratory/Sleep revenue flat.

HME M&A: Adapt by The Numbers

64

Closed transactions since 2012
All Integrated into AdaptHealth systems

18

Transactions closed in 2019
Generating ~\$110mm in annual revenue

Opportunity

For Future consolidation
5K+ small to mid-size HME companies remain

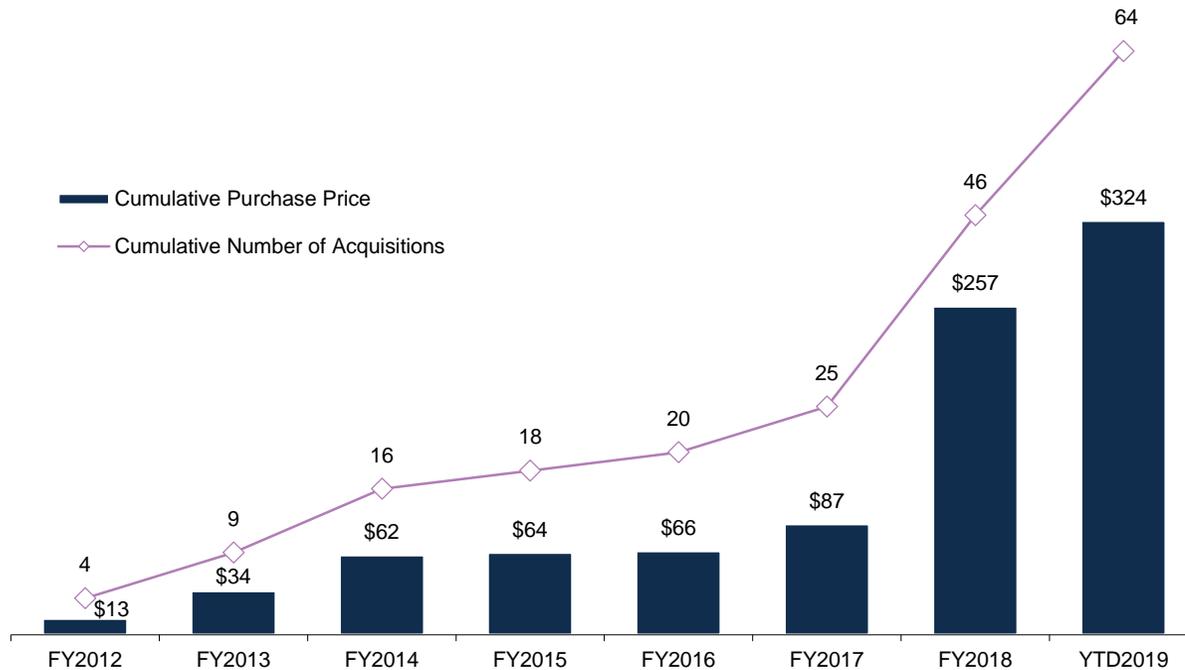
\$100_{mm+}

Expected to acquire in revenue per year

HME M&A: AH is a Proven Consolidator

Cumulative Acquisitions & Purchase Price

(\$ in millions)



Sample Annual Vendor Cost Savings

(\$ in millions)



Source: Management

HME M&A: Competitive Landscape

Nationals	Scaled Regionals	Product-Specific	Mom & Pops
  <p>APRIA HEALTHCARE®</p>  <p>LINCARE A Linde company</p>  <p>ROTECH HEALTHCARE INC.</p>	       	       	<p>6K+</p>

Platform Diversification

Supplies

(diabetes, ostomy,
urological, wound care)

Respiratory Medications
Remote Patient Monitoring

Home Infusion
Home Dialysis

Near Term

Long Term

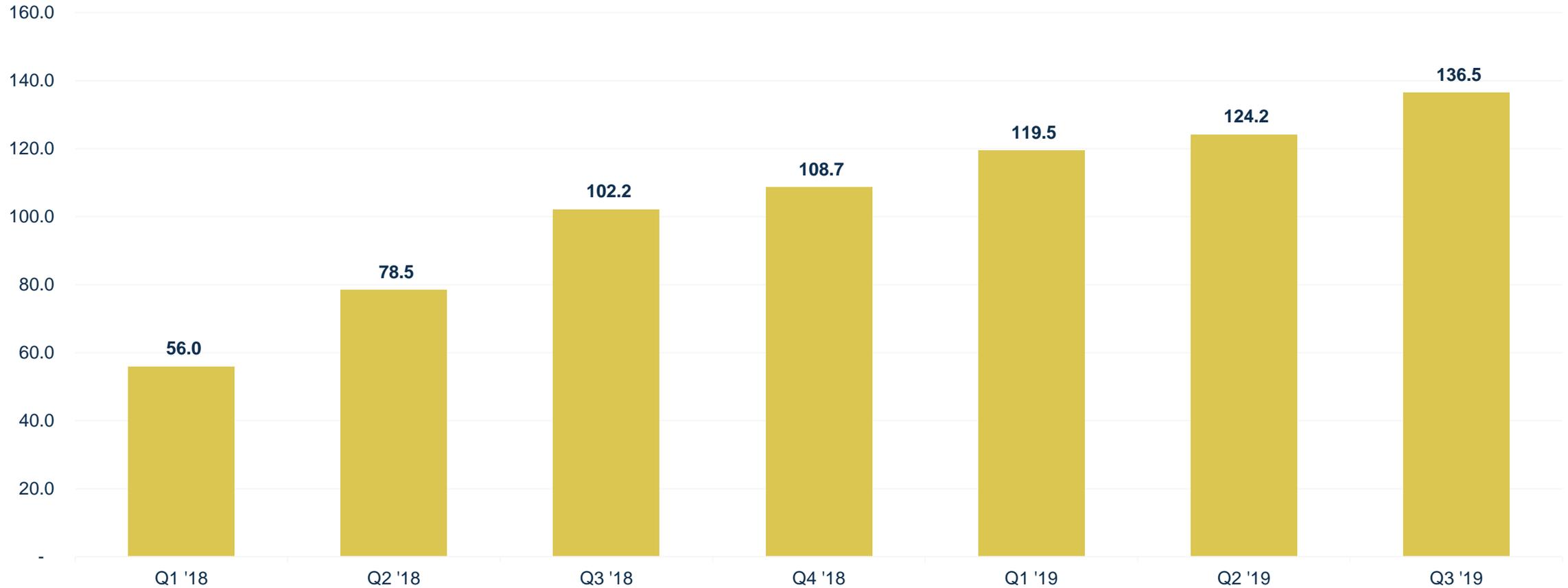


Financial Supplement



Financial Results: Net Revenue

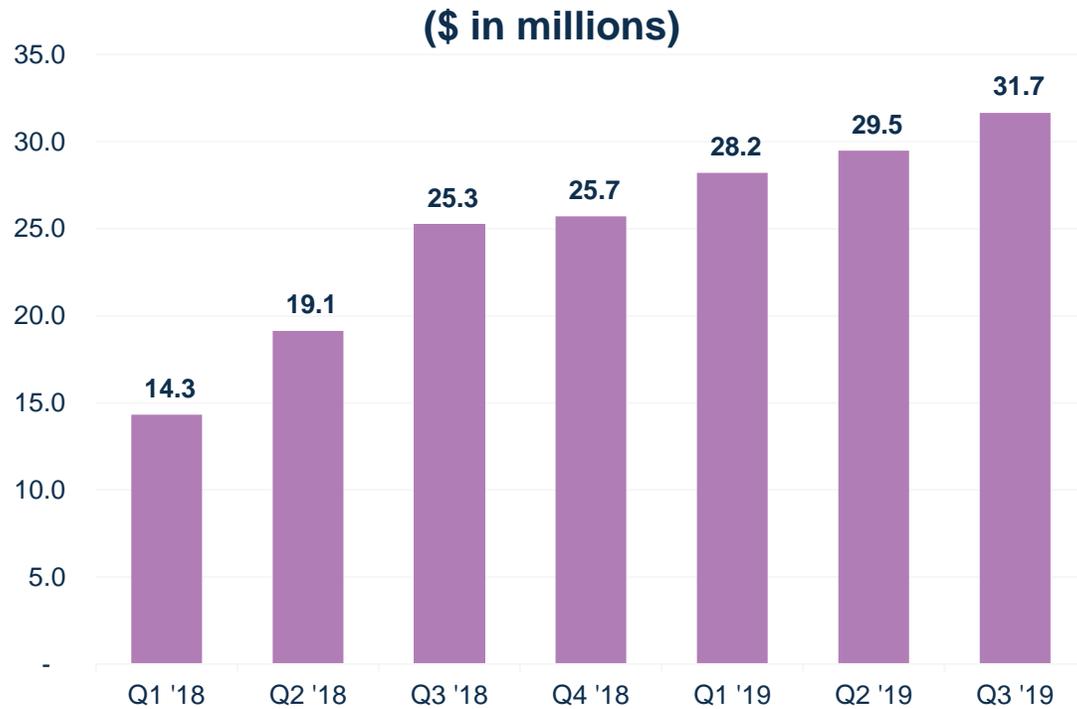
(\$ in millions)



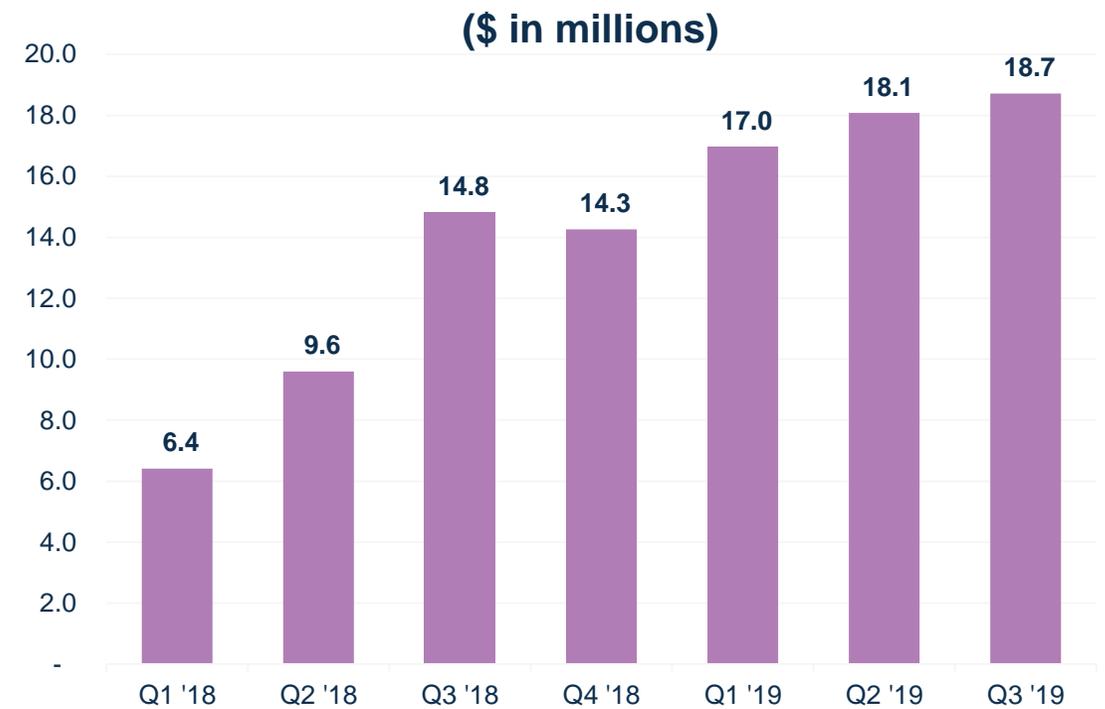
Source: Management

Financial Results: Adj EBITDA & Adj E-C

Adjusted EBITDA (1)



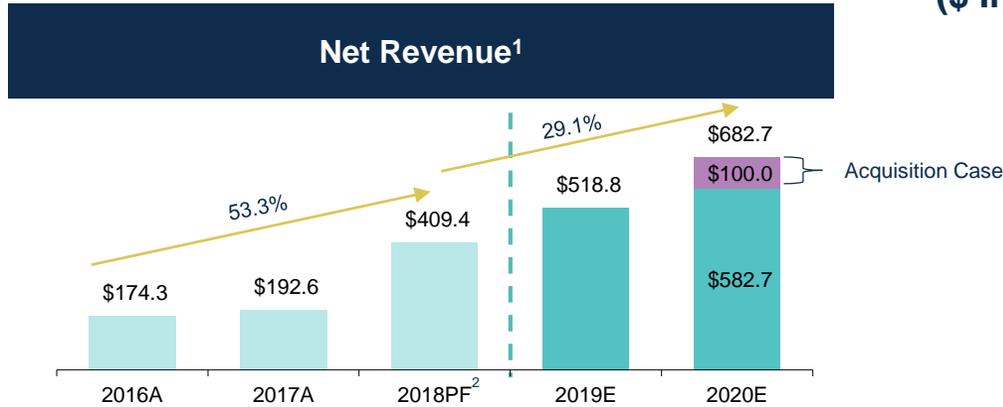
Adjusted EBITDA Less Patient Equipment Capex (1)



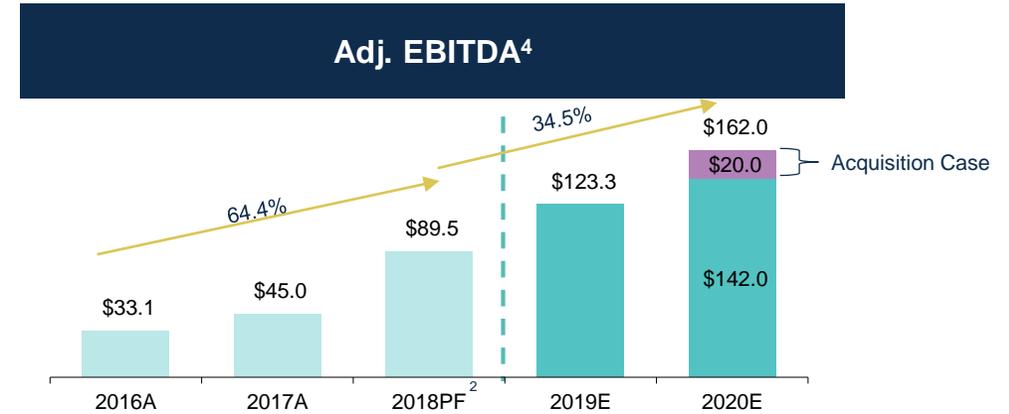
Source: Management
(1) Reflects non-GAAP financials

Financial Projections

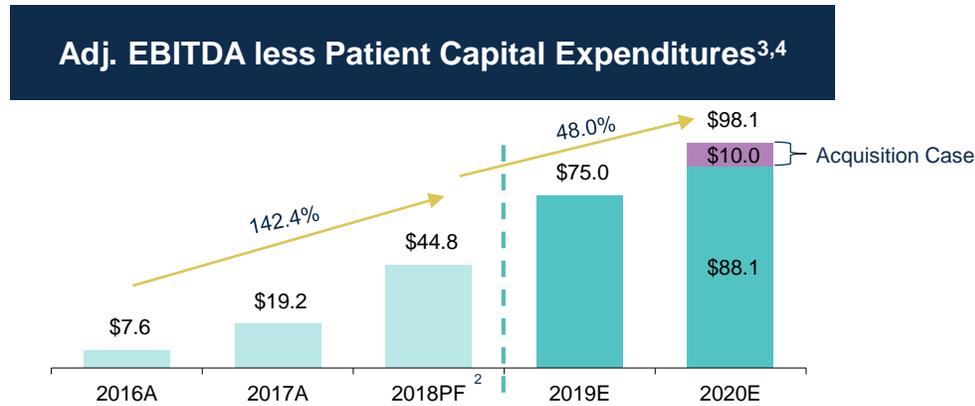
(\$ In Millions)



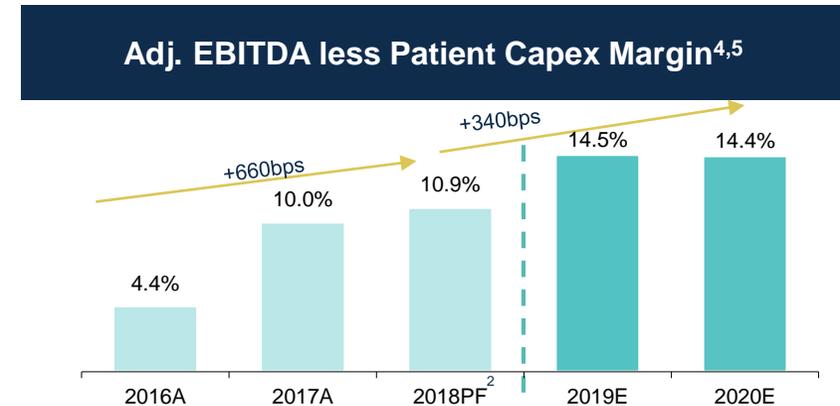
✓ Revenue growth driven by organic growth as the Company expands its national patient and referral base



✓ Primarily driven by increased net revenue, as operating margins are expected to remain relatively stable



✓ Capital expenditures are forecasted to remain flat coupled with increasing EBITDA



✓ EBITDA margins expected to continue to increase as Company gains scale and operating leverage

2019E to 2020E Bridge – “Base Case”

Adjusted EBITDA (1)

(\$ in millions)



Adjusted EBITDA Less Patient Equipment Capex (1)

(\$ in millions)



Note: “Base Case” excludes acquisition projection of \$100mm of revenue per year at 20% EBITDA margin and 10% EBITDA less Patient Equipment Capex margin. Charts are not to scale.
 (1) Reflects non-GAAP financials

Capital Structure

Debt

9/30/2019 PF ¹

(\$ in millions)

Term Loan	\$246.3
Preferred Note	\$143.5
Other Debt	\$1.7
Less: Cash on Hand	(\$59.6)
Net Debt	\$331.9
Leverage ²	2.69x
<u>Undrawn Capacity</u>	
Revolver	\$75.0
Delayed Draw Term Loan	\$100.0

Equity

	Class A	Class B	Total
<u>Legacy AH Holdings shareholders</u>			
Blue Mountain	3,647,353	150,581	3,797,934
Management *	1,524,561	14,673,995	16,198,556
Other	14,651,787	17,289,223	31,941,010
	19,823,701	32,113,799	51,937,500
Deerfield/RAB/DFB (PIPE & Promote)	16,312,500	-	16,312,500
SPAC Float	2,500,000	-	2,500,000
Public Float	1,659,965	-	1,659,965
	20,472,465	-	20,472,465
Total	40,296,166	32,113,799	72,409,965
	55.7%	44.3%	100.0%

* Includes shares held in trust

Note: Class B shares are convertible one to one into Class A shares.

Source: Management

1. Pro Forma for SPAC merger transaction and amended debt agreement
2. Leverage multiple based on 2019E Adjusted EBITDA of \$123.3 million

Pro Forma Adjusted EBITDA Bridge

AdaptHealth Pro Forma Adjusted EBITDA Bridge to Net Income

	Fiscal Year Ended December 31		
	2016A	2017A	2018PF ¹
Net Income / (Loss) attributable to AdaptHealth Holdings LLC	(\$4.2)	\$9.7	\$23.3
Plus: Income attributable to noncontrolling interest	0.6	0.6	1.1
Plus: Interest expense excluding change in FV of interest rate swaps	5.8	5.0	8.0
Plus: Interest expense (income) representing change in FV of interest rate swaps	0.0	0.0	(0.5)
Plus: Income tax (benefit) expense	(0.2)	0.2	(2.1)
Plus: Depreciation	26.6	27.8	47.9
Plus: Loss from discontinued ops	0.4	0.2	0.0
EBITDA	\$28.9	\$43.6	\$77.6
Plus: Non-recurring expense adjustments	4.2	1.5	6.9
Adj. EBITDA	\$33.1	\$45.0	\$84.4
<i>Plus: Pro forma adjustments¹</i>			
Verus Adjusted EBITDA			3.0
PPS Adjusted EBITDA			0.2
HME Adjusted EBITDA			1.8
PF Adj. EBITDA			\$89.5

Source: Management,

1. Includes the full year effect of the Verus, PPS and HME acquisitions to be effective 1/1/18

Adjusted EBITDA Bridge

AdaptHealth Adjusted EBITDA Bridge to Net Income

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Net Income / (Loss) attributable to AdaptHealth Holdings LLC	\$3.7	\$3.6	\$12.4	\$3.5	\$(3.5)	\$(4.4)	\$(3.7)
Plus: Income attributable to noncontrolling interest	0.2	0.2	0.3	0.4	0.3	0.4	0.6
Plus: Interest expense excluding change in FV of interest rate swaps	1.1	1.9	2.5	2.5	3.6	7.9	7.8
Plus: Interest expense (income) representing change in FV of interest rate swaps	0.0	0.1	(0.4)	(0.3)	2.7	6.7	2.9
Plus: Income tax (benefit) expense	0.0	0.3	(4.8)	2.4	0.1	4.3	1.0
Plus: Depreciation	7.8	11.7	13.5	14.9	15.0	13.2	16.9
EBITDA	\$12.8	\$17.8	\$23.4	\$23.4	\$18.2	\$28.1	\$25.6
Plus: Non-recurring expense adjustments	1.5	1.3	1.9	2.3	10.0	1.4	6.1
Adj. EBITDA	\$14.3	\$19.1	\$25.3	\$25.7	\$28.2	\$29.5	\$31.7

Source: Management,



Thank You!

