



 **adapthealth**

# Investor Presentation 2020

February 2020

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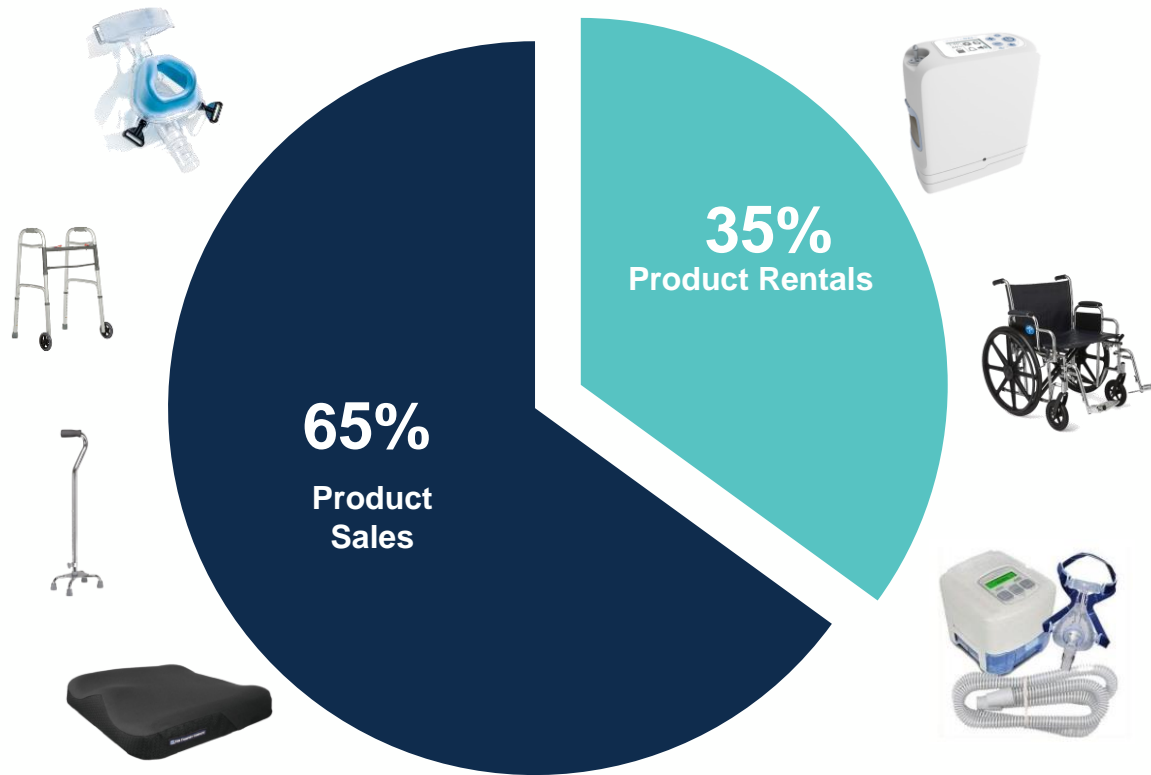
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# AdaptHealth is the 3<sup>rd</sup> Largest Provider of HME in the US

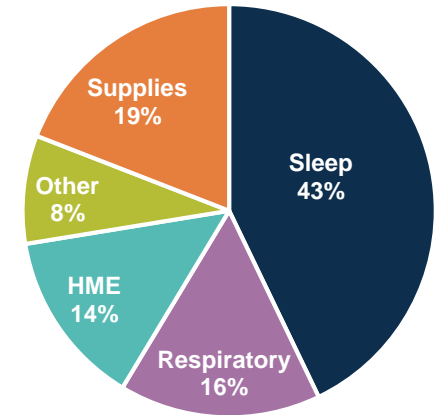
Pro Forma w/ PCS & Advanced Home Care Acquisitions

Revenue Breakdown at 12/31/19

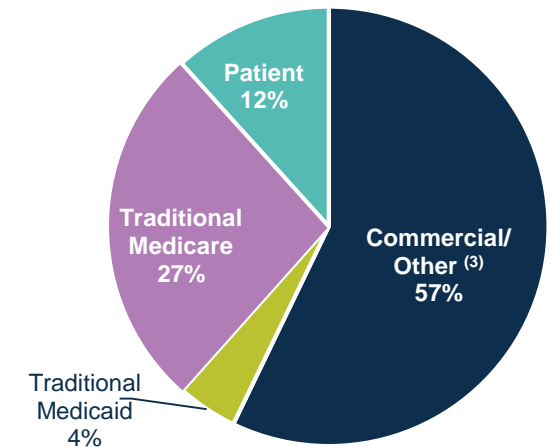


\*Less Provision for Doubtful Accounts

Product Mix (1)  
as of 12/31/19



Payor Mix (2)  
as of 12/31/19

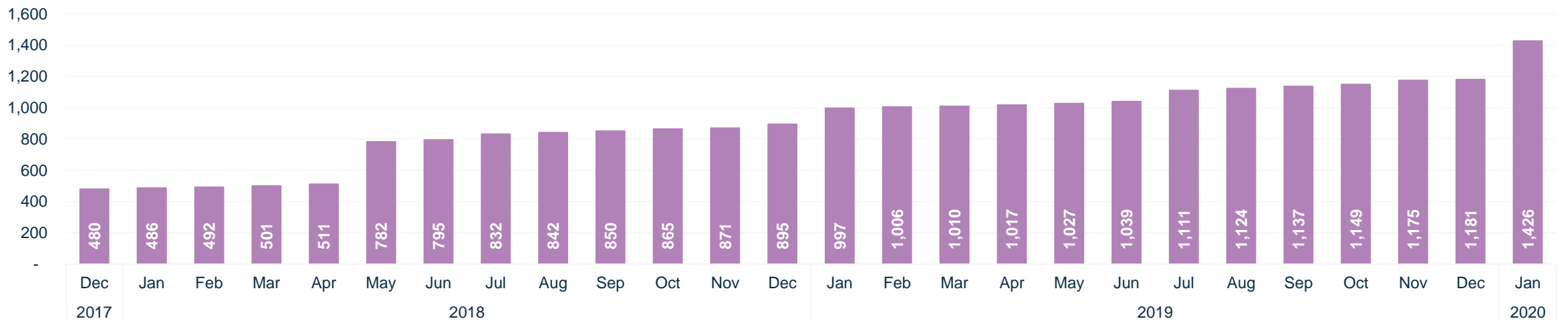


Source: Management Notes: (1) Product mix based on revenue less provision for doubtful accounts (2) Payor Mix based on revenue before provision for doubtful accounts (3) Includes Managed Medicare and Managed Medicaid

# AdaptHealth Services More Than 1.4mm Patients Annually

- + More than 60% of patients served have a chronic disease including:
  - + Sleep Apnea
  - + Chronic Obstructive Pulmonary Disease (COPD)
  - + Diabetes
  - + Congestive Heart Failure (CHF)
- + More than 50% received at least 2 or more deliveries in 2019
- + 187 Locations servicing 50 states

LTM Patients Served  
(thousands)



# Targeting 20% Growth Annually

## Growth Levers



### Key Drivers:

- + Sleep market growth – 80% undiagnosed
- + Demo graphic growth
- + Expand beds, w/c, other HME outside of Northeast
- + Niche products: Orthotics & Breast Pumps

- + 67 acquisitions completed since 2012
- + 1,000s of mom + pops

- + Additional product lines
- + Remote Patient Monitoring
- + Respiratory Medications
- + Home Infusion

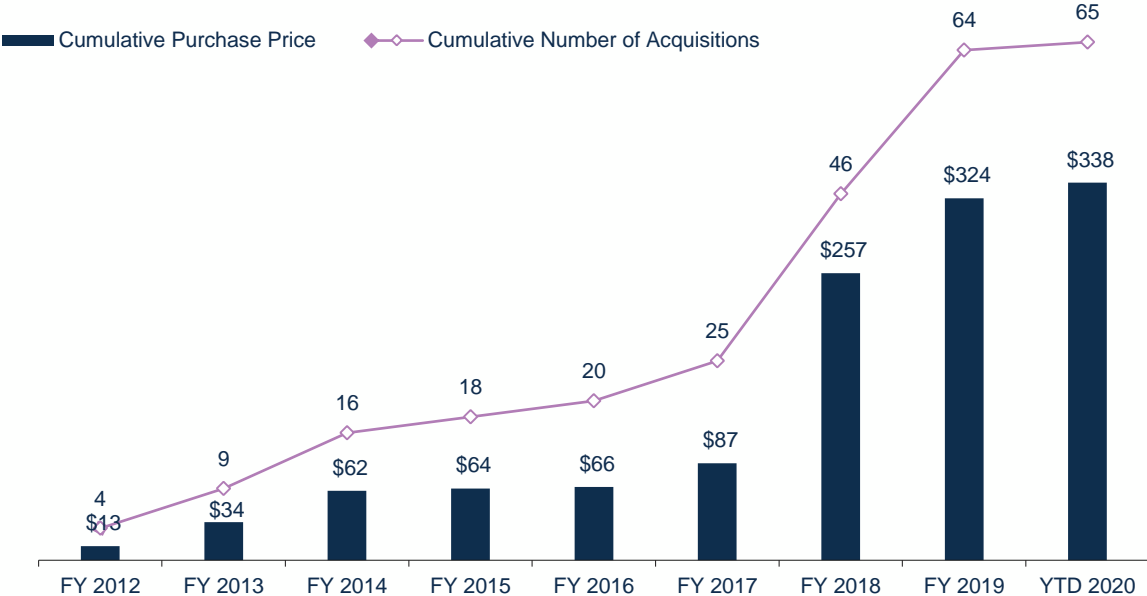
Source: Management

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

# HME M&A: AH is a Proven Consolidator

## Cumulative Acquisitions & Purchase Price

(\$ in millions)



## Sample Top Vendor Annual Cost Savings

(\$ in millions)

	Pre-Acquisition	Post-Acquisition	Savings	%
Transaction 1	27.5	25.4	2.1	8%
Transaction 2	19.3	17.4	1.9	10%
Transaction 3	7.1	5.5	1.6	23%
Transaction 4	4.4	3.3	1.1	25%

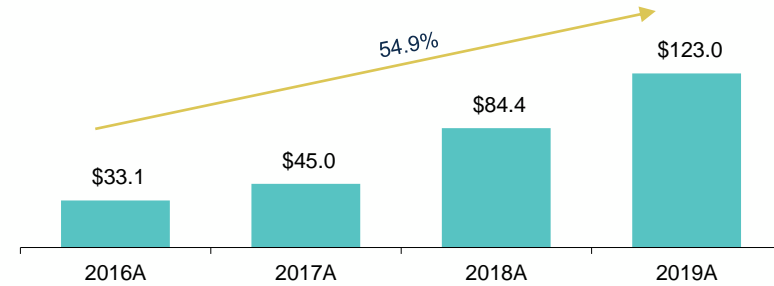
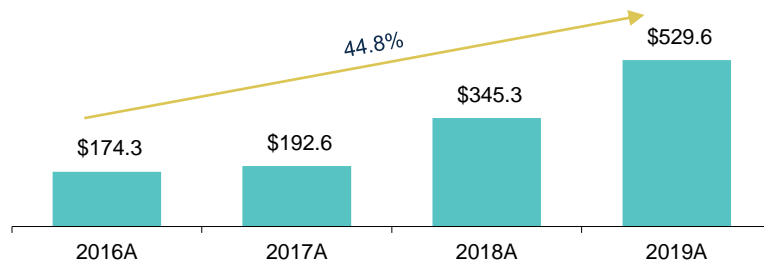
Source: Management

# Historical Financial Performance

## Net Revenue

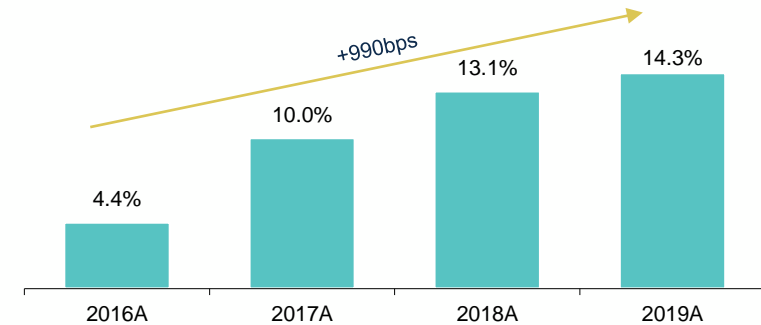
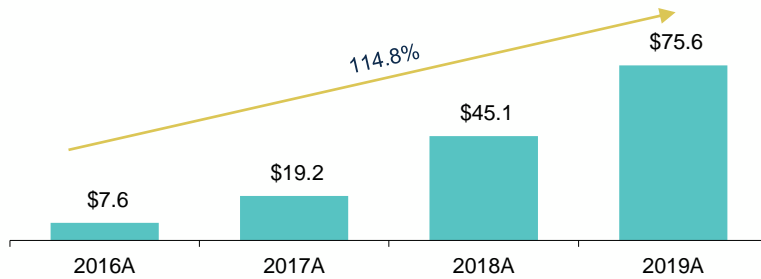
(\$ In Millions)

## Adj. EBITDA<sup>2</sup>



## Adj. EBITDA less Patient Capital Expenditures<sup>1,2</sup>

## Adj. EBITDA less Patient Capex Margin<sup>2</sup>



Source: Management

(1) Spend to procure rental product units to support rental business. Patient equipment capex comprises over 95% of total capex

(2) Reflects non-GAAP financials

# 2020 Financial Guidance<sup>(1)</sup>

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<b>Revenue</b>	\$765mm-\$782mm
<b>Adjusted EBITDA</b>	\$155mm-\$158mm
<b>Adjusted EBITDA Less Complex</b>	\$95mm-\$97mm

Source: Management Notes: (1) This outlook reflects the acquisitions of Advanced and PCS but excludes anticipated first year PCS operating losses as well as severance and restructuring costs associated with the PCS acquisition totaling approximately \$15 million.



# Adjusted EBITDA Bridge

## AdaptHealth Adjusted EBITDA Bridge to Net Income

	Fiscal Year Ended December 31			
	2016A	2017A	2018A	2019A
Net Income / (Loss) attributable to AdaptHealth Holdings LLC	(\$4.2)	\$9.7	\$23.3	(\$15.0)
Plus: Income attributable to noncontrolling interest	0.6	0.6	1.1	2.1
Plus: Interest expense excluding change in FV of interest rate swaps	5.8	5.0	8.0	27.9
Plus: Interest expense (income) representing change in FV of interest rate swaps	0.0	0.0	(0.5)	11.4
Plus: Income tax (benefit) expense	(0.2)	0.2	(2.1)	1.2
Plus: Depreciation	26.6	27.8	47.9	62.6
Plus: Loss from discontinued ops	0.4	0.2	0.0	0.0
<b>EBITDA</b>	<b>\$28.9</b>	<b>\$43.6</b>	<b>\$77.6</b>	<b>\$90.1</b>
Plus: Non-recurring expense adjustments	4.2	1.5	6.9	32.9
<b>Adj. EBITDA</b>	<b>\$33.1</b>	<b>\$45.0</b>	<b>\$84.4</b>	<b>\$123.0</b>



**Thank You!**

