



 **adapt**health

Financial Supplement – Q1 2020

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Summary Financial Results

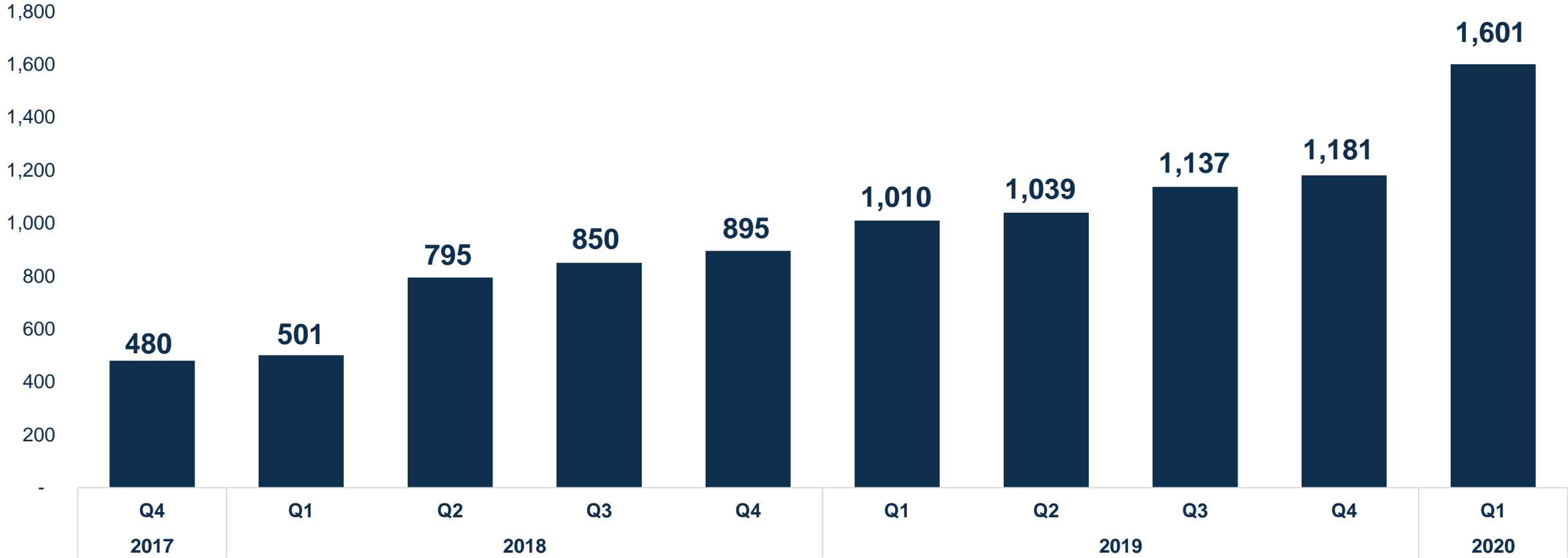
(in thousands)

	Three Months Ended					
	March 31, 2020 (Excl PCS) ¹	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Sale revenue	\$ 95,099	\$ 128,974	\$ 91,436	\$ 83,064	\$ 72,995	\$ 68,956
Rental revenue	62,465	62,465	58,106	53,387	51,158	50,542
Total net revenue	\$ 157,564	\$ 191,439	\$ 149,542	\$ 136,451	\$ 124,153	\$ 119,498
Operating income	\$ 16,442	\$ 9,311	\$ 716	\$ 8,723	\$ 14,911	\$ 5,347
Net (loss) income attributable to AdaptHealth Corp.	\$ 3,785	\$ (158)	\$ (3,425)	\$ (3,687)	\$ (2,084)	\$ (5,800)
Adjusted EBITDA	\$ 34,913	\$ 30,460	\$ 33,670	\$ 31,655	\$ 29,480	\$ 28,216
Adjusted EBITDA less Patient Equipment Capex	\$ 21,946	\$ 17,493	\$ 21,838	\$ 18,714	\$ 18,075	\$ 16,973
<u>% of Revenue</u>						
Adjusted EBITDA	22.2%	15.9%	22.5%	23.2%	23.7%	23.6%
Adjusted EBITDA less Patient Equipment Capex	13.9%	9.1%	14.6%	13.7%	14.6%	14.2%

(1) Patient Care Solutions “PCS” was acquired in January 2020. PCS is a turn-around situation and we expect to invest \$15 million into one-time restructuring and operational losses in 2020.

Unique Patients Served

LTM ¹ Pro Forma Unique Patients Serviced
(in thousands)



¹ Acquisitions included on a pro forma basis for full LTM period as of acquisition date

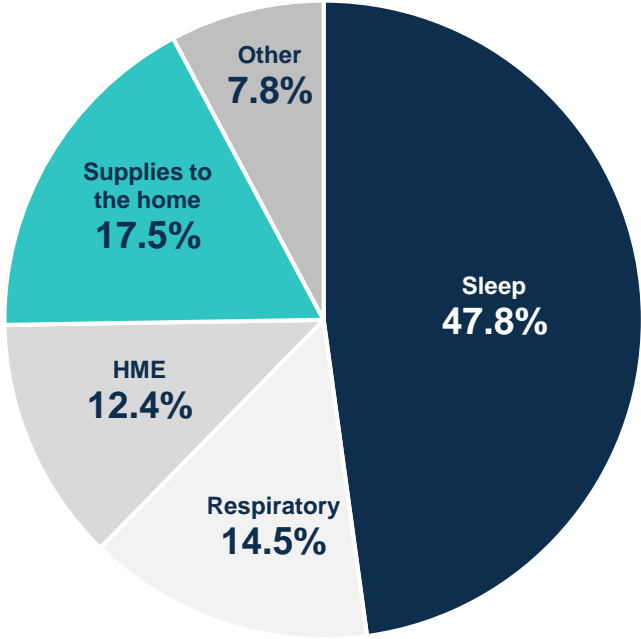
PCS Financial Results Breakout

(in thousands)

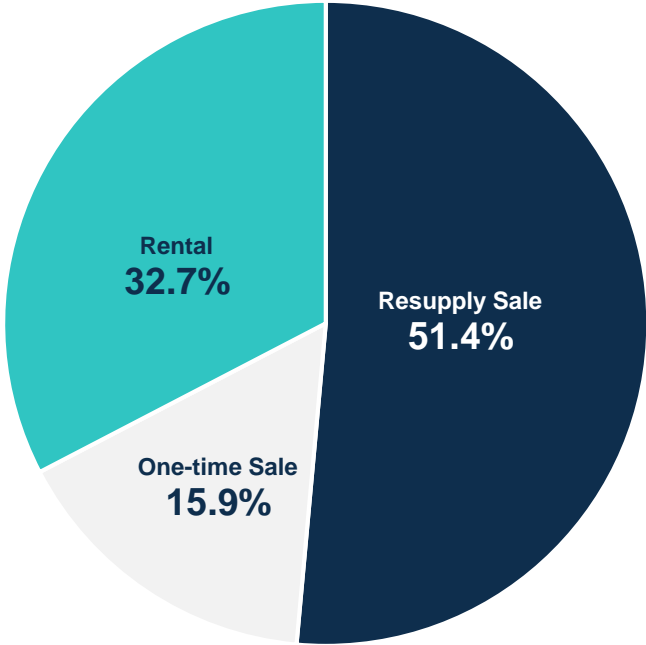
	Three Months Ended March 31, 2020		
	AH Standalone	PCS ⁽¹⁾	AH Consolidated
Net revenue	\$ 157,564	\$ 33,875	\$ 191,439
Cost of net revenue	127,444	39,096	166,540
General and administrative expenses	12,504	1,843	14,347
Depreciation, excluding patient equipment depreciation	1,174	67	1,241
Total costs and expenses	\$ 141,122	\$ 41,006	\$ 182,128
Operating income	16,442	(7,131)	9,311
Interest expense, net	7,938	-	7,938
Income (loss) before income taxes	8,504	(7,131)	1,373
Income tax expense	1,103	4	1,107
Net income (loss)	7,401	(7,135)	266
Income (loss) attributable to noncontrolling interests	3,616	(3,192)	424
Net (loss) income attributable to AdaptHealth Corp.	\$ 3,785	\$ (3,943)	\$ (158)
Non-GAAP Reconciliation			
Net income (loss) attributable to AdaptHealth Corp.	\$ 3,785	\$ (3,943)	\$ (158)
Income (loss) attributable to noncontrolling interests	3,616	(3,192)	424
Interest expense, net	7,938	-	7,938
Income tax expense	1,103	4	1,107
Depreciation, including patient equipment depreciation	16,673	67	16,740
EBITDA	33,115	(7,064)	26,051
Equity-based compensation expense	1,927	296	2,223
Transaction costs	2,361	497	2,858
Severance	101	318	419
Other non-recurring (income) expense	(2,591)	1,500	(1,091)
Adjusted EBITDA	34,913	(4,453)	30,460
Less: Patient equipment capex	(12,967)	-	(12,967)
Adjusted EBITDA less Patient Equipment Capex	\$ 21,946	\$ (4,453)	\$ 17,493
% of net revenue			
Adjusted EBITDA	22.2%	-13.1%	15.9%
Adjusted EBITDA less Patient Equipment Capex	13.9%	-13.1%	9.1%

(1) Patient Care Solutions "PCS" was acquired in January 2020. PCS is a turn-around situation and we expect to invest \$15 million into one-time restructuring and operational losses in 2020.

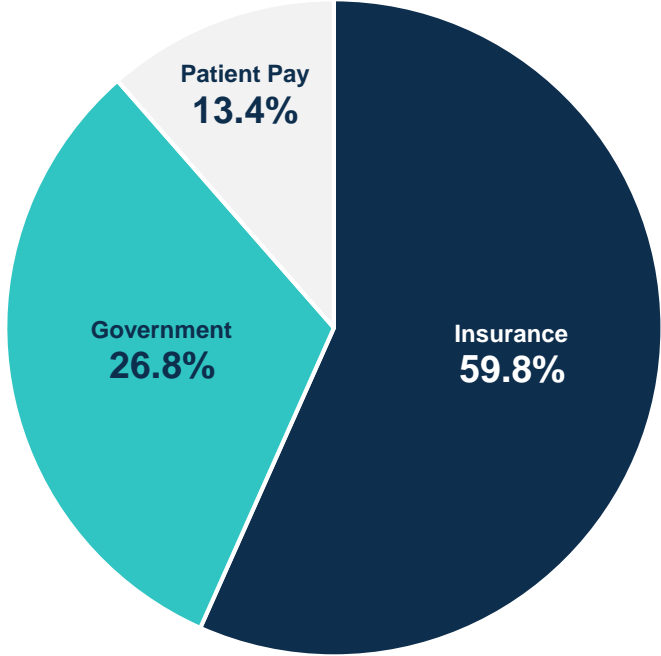
Q1 2020 Business Mix Summary



Product



Sale Type



Payor

Revenue by Product

(in thousands)

	Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Net sales revenue					
Sleep	\$ 68,894	\$ 67,864	\$ 59,117	\$ 50,434	\$ 47,127
Respiratory	2,768	1,659	1,397	1,445	1,279
HME	11,579	10,889	10,873	10,236	10,489
Supplies to the home	33,339	1,849	1,966	1,915	2,029
Other	12,394	9,175	9,711	8,965	8,032
Total net sales revenue	\$ 128,974	\$ 91,436	\$ 83,064	\$ 72,995	\$ 68,956
% of total net revenue	67.3%	61.1%	60.9%	58.8%	57.7%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 22,669	\$ 23,084	\$ 20,762	\$ 18,945	\$ 18,057
Respiratory	25,007	21,333	19,646	20,009	20,429
HME	12,177	11,437	11,088	10,202	10,243
Other	2,612	2,252	1,891	2,002	1,813
Total net revenue from fixed monthly equipment reimbursements	\$ 62,465	\$ 58,106	\$ 53,387	\$ 51,158	\$ 50,542
% of total net revenue	32.7%	38.9%	39.1%	41.2%	42.3%
Total net revenue					
Sleep	\$ 91,563	\$ 90,948	\$ 79,879	\$ 69,379	\$ 65,184
Respiratory	27,775	22,992	21,043	21,454	21,708
HME	23,756	22,326	21,961	20,438	20,732
Supplies to the home	33,339	1,849	1,966	1,915	2,029
Other	15,006	11,427	11,602	10,967	9,845
Total net revenue	\$ 191,439	\$ 149,542	\$ 136,451	\$ 124,153	\$ 119,498

Revenue by Sale Type

(in thousands)	Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Resupply Sale	\$ 98,491	\$ 73,356	\$ 64,583	\$ 56,160	\$ 52,695
One-time Sale	30,483	18,080	18,481	16,836	16,261
Rental	62,465	58,106	53,387	51,158	50,542
Total net revenue	<u>\$ 191,439</u>	<u>\$ 149,542</u>	<u>\$ 136,451</u>	<u>\$ 124,153</u>	<u>\$ 119,498</u>
Resupply Sale	51.4%	49.0%	47.3%	45.2%	44.1%
One-time Sale	15.9%	12.1%	13.6%	13.6%	13.6%
Rental	32.7%	38.9%	39.1%	41.2%	42.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Total Resupply Sale & Rental	84.2%	87.8%	86.5%	86.4%	86.4%



Appendix



Non-GAAP Reconciliation

(in thousands)

	Three Months Ended					
	March 31, 2020 (Excl PCS)	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Non-GAAP Reconciliation						
Net income (loss) attributable to AdaptHealth Corp.	\$ 3,785	\$ (158)	\$ (3,425)	\$ (3,687)	\$ (2,084)	\$ (5,800)
Income attributable to noncontrolling interests	3,616	424	775	627	361	348
Interest expense excluding change in FV of interest rate swaps	7,938	7,938	8,586	7,834	7,900	3,558
Interest expense (income) - Change in FV of interest rate swaps	-	-	(933)	2,922	6,735	2,702
Income tax expense (benefit)	1,103	1,107	(4,288)	1,027	1,999	2,418
Depreciation, including patient equipment depreciation	16,673	16,740	17,490	16,871	13,234	14,972
EBITDA	33,115	26,051	18,205	25,594	28,145	18,198
Loss on extinguishment of debt (a)	-	-	-	-	-	2,121
Equity-based compensation expense (b)	1,927	2,223	5,264	400	183	5,223
Transaction costs (c)	2,361	2,858	7,752	5,282	434	2,516
Severance (d)	101	419	1,580	33	547	141
Other non-recurring (income) expense (e)	(2,591)	(1,091)	869	346	171	17
Adjusted EBITDA	34,913	30,460	33,670	31,655	29,480	28,216
Less: Patient equipment capex (f)	(12,967)	(12,967)	(11,832)	(12,941)	(11,405)	(11,243)
Adjusted EBITDA less Patient Equipment Capex	\$ 21,946	\$ 17,493	\$ 21,838	\$ 18,714	\$ 18,075	\$ 16,973

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

(b) Represents amortization of equity-based compensation to employees, including expense resulting from accelerated vesting and modification of certain awards incurred in 2019.

(c) Represents transaction costs related to acquisitions and the 2019 Recapitalization.

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

(e) The 2020 period includes (1) a \$2.0 million reduction in the fair value of an earnout liability, (2) a \$0.6 million gain in connection with the sale of a cost method investment, offset by (3) a \$1.5 million expense associated with the PCS Transition Services Agreement.

(f) 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.