



 **adapthealth**

Financial Supplement – Q3 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

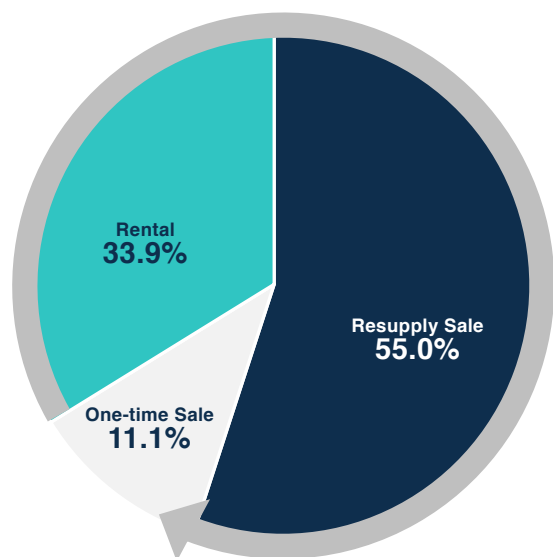
(in thousands)

	Three Months Ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Sales revenue	\$ 432,171	\$ 400,579	\$ 317,265	\$ 262,219	\$ 207,140
Rental revenue	221,122	216,438	164,854	86,210	77,265
Total net revenue	\$ 653,293	\$ 617,017	\$ 482,119	\$ 348,429	\$ 284,405
Operating income ⁽¹⁾	\$ 75,710	\$ 65,407	\$ 15,409	\$ 34,297	\$ 13,259
Net income (loss) attributable to AdaptHealth Corp. ⁽²⁾	\$ 58,092	\$ 79,107	\$ (3,966)	\$ (80,516)	\$ (51,035)
Adjusted EBITDA	\$ 156,274	\$ 147,391	\$ 104,175	\$ 79,365	\$ 53,160
Adjusted EBITDA less Patient Equipment Capex	\$ 106,121	\$ 98,866	\$ 61,917	\$ 58,512	\$ 35,912
% of Revenue					
Adjusted EBITDA	23.92%	23.89%	21.61%	22.78%	18.69%
Adjusted EBITDA less Patient Equipment Capex	16.24%	16.02%	12.84%	16.79%	12.63%

(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.

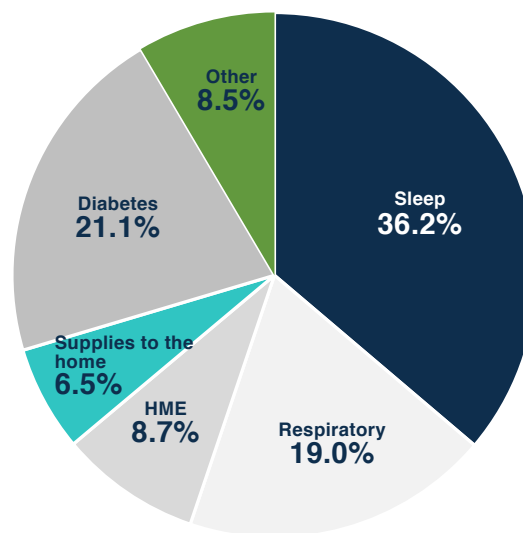
(2) Net income (loss) attributable to AdaptHealth Corp. includes non-cash charges or gains resulting from the changes in the estimated fair value of the Company's contingent consideration common shares liability and the Company's warrant liability. Changes in such liabilities are marked to market and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

Q3 2021 Business Mix Summary⁽¹⁾

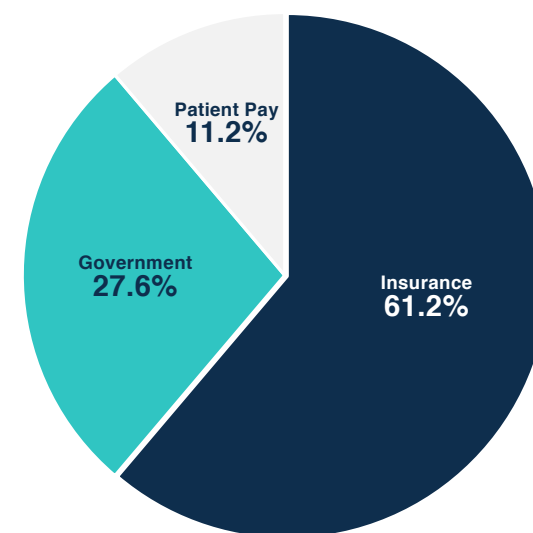


~90% of revenue comes from recurring sales or rentals

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 (\$0.4 million in Q3 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				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Net sales revenue					
Sleep	\$ 173,359	\$ 163,331	\$ 128,682	\$ 84,890	\$ 74,655
Diabetes	134,228	123,314	95,017	94,924	52,887
Supplies to the home	42,441	42,675	41,363	45,145	44,579
Respiratory	6,228	13,136	5,621	2,571	5,152
HME	30,989	30,360	24,156	18,725	14,998
Other	44,926	27,763	22,426	15,964	14,869
Total net sales revenue	\$ 432,171	\$ 400,579	\$ 317,265	\$ 262,219	\$ 207,140
% of total net revenue	66.1%	64.9%	65.8%	75.3%	72.8%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 62,755	\$ 66,335	\$ 48,109	\$ 28,077	\$ 24,971
Diabetes	3,722	3,216	2,853	1,521	946
Respiratory	117,918	111,546	83,454	35,728	32,269
HME	26,043	24,431	20,380	16,152	14,256
Other	10,684	10,910	10,058	4,732	4,823
Total net revenue from fixed monthly equipment reimbursements	\$ 221,122	\$ 216,438	\$ 164,854	\$ 86,210	\$ 77,265
% of total net revenue	33.9%	35.1%	34.2%	24.7%	27.2%
Total net revenue					
Sleep	\$ 236,114	\$ 229,666	\$ 176,791	\$ 112,967	\$ 99,626
Diabetes	137,950	126,530	97,870	96,445	53,833
Supplies to the home	42,441	42,675	41,363	45,145	44,579
Respiratory	124,146	124,682	89,075	38,299	37,421
HME	57,032	54,791	44,536	34,877	29,254
Other	55,610	38,673	32,484	20,696	19,692
Total net revenue	\$ 653,293	\$ 617,017	\$ 482,119	\$ 348,429	\$ 284,405

Revenue by Sale Type

(in thousands)

	Three Months Ended							
	September 30, 2021 (Excl B2B) ⁽¹⁾	September 30, 2021	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
Resupply Sale	\$ 358,913	\$ 358,913	\$ 332,719	\$ 332,719	\$ 266,990	\$ 266,990	\$ 215,156	\$ 215,156
One-time Sale	72,909	73,258	59,309	67,860	49,096	50,275	44,664	47,063
Rental	221,097	221,122	216,438	216,438	164,730	164,854	86,011	86,210
Total net revenue	\$ 652,919	\$ 653,293	\$ 608,466	\$ 617,017	\$ 480,816	\$ 482,119	\$ 345,831	\$ 348,429
Resupply Sale	55.0%	54.9%	54.7%	53.9%	55.5%	55.4%	62.2%	61.8%
One-time Sale	11.1%	11.2%	9.7%	11.0%	10.2%	10.4%	12.9%	13.5%
Rental	33.9%	33.9%	35.6%	35.1%	34.3%	34.2%	24.9%	24.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Resupply Sale & Rental	88.9%	88.8%	90.3%	89.0%	89.8%	89.6%	87.1%	86.5%

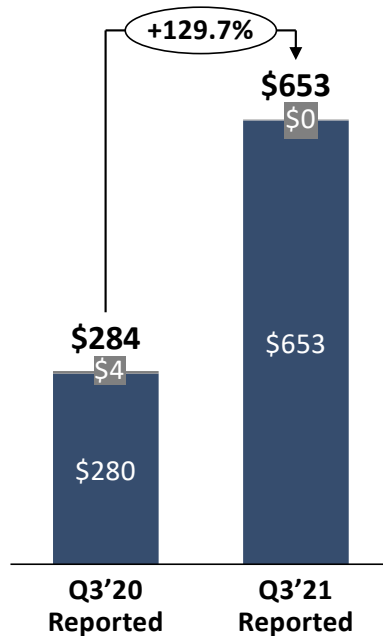
(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their urgent needs for ventilation and oxygen equipment for COVID patients. This was a new channel for AdaptHealth as our normal business models involve providing equipment and services to patients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

Organic Net Revenue Growth

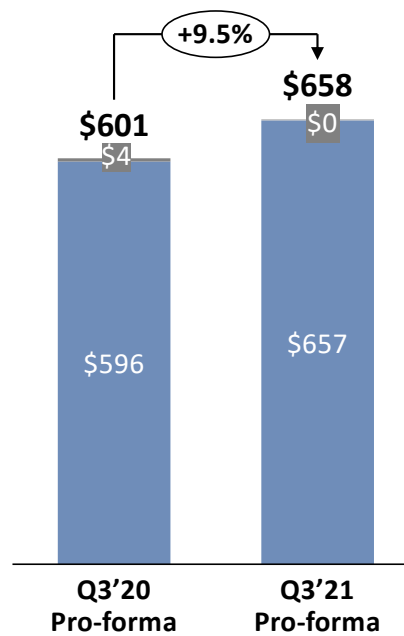
B2B

In millions

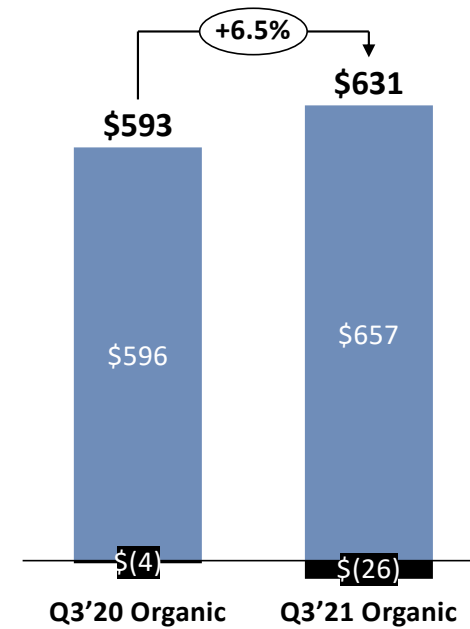
Reported Net Revenue Growth



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.

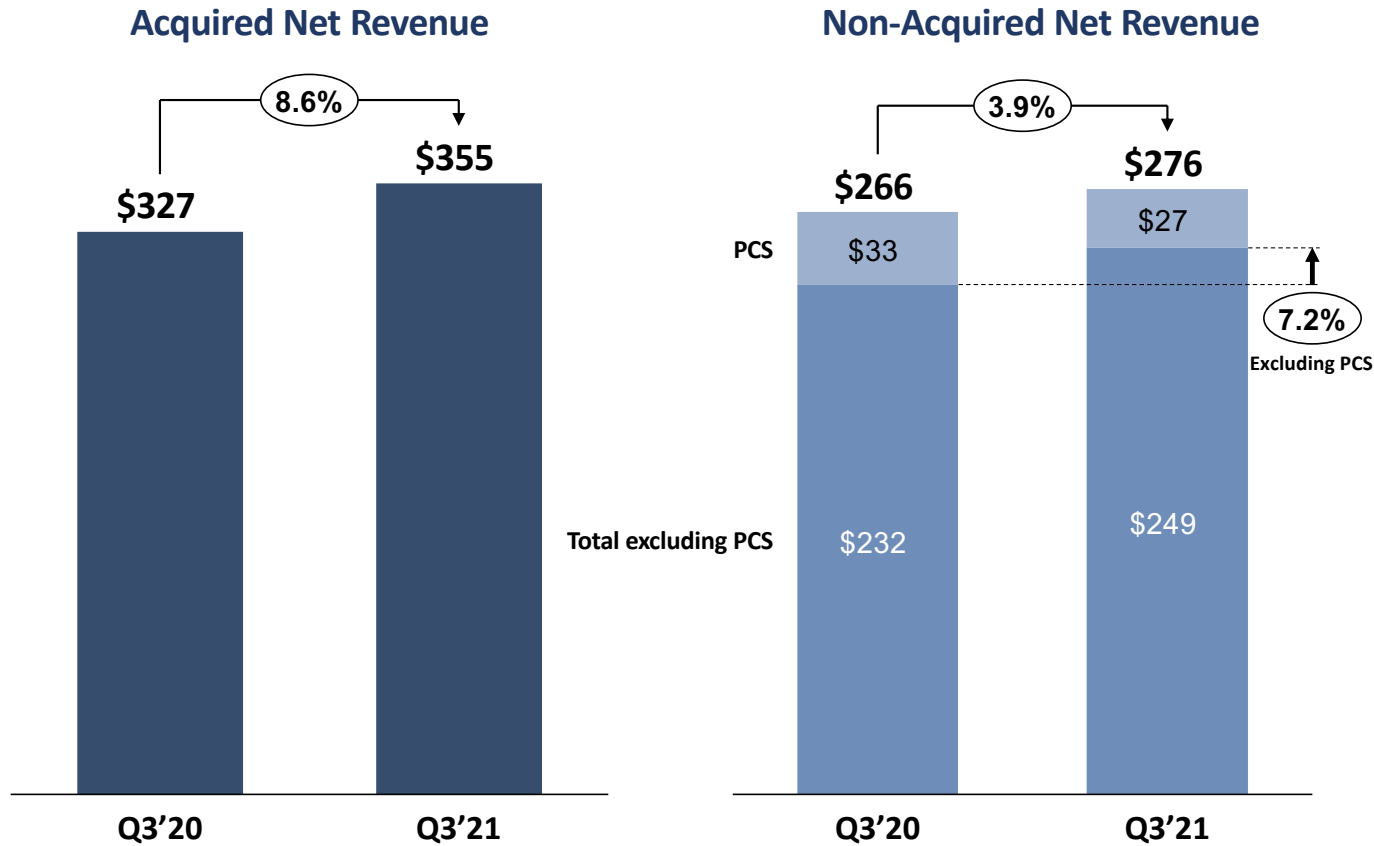
** **Organic net revenue** is defined as pro-forma net revenue, excluding B2B net revenue and net revenue from AeroCare acquisitions completed between January 1, 2020 and AdaptHealth's acquisition of AeroCare. Organic net revenue growth adjusted for the impact of the Philips recall would be 8.2%.

Acquired	\$327	\$355	8.6%
Non-Acquired	\$266	\$276	3.9%
	\$593	\$631	6.5%

See next slide for details

Acquired and Non-Acquired Growth

\$ in Millions



Acquired	\$327	\$355	8.6%
Non-Acquired	\$266	\$276	3.9%
	\$593	\$631	6.5%



Appendix



Non-GAAP Reconciliation

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Non-GAAP Reconciliation				
Net income (loss) attributable to AdaptHealth Corp.	\$ 58,092	\$ (51,035)	\$ 133,233	\$ (81,116)
Income (loss) attributable to noncontrolling interests	174	(10,944)	1,449	(22,458)
Interest expense, net	24,252	12,406	69,584	27,826
Income tax expense (benefit)	12,147	(4,921)	22,782	(4,736)
Depreciation and amortization, including patient equipment depreciation	69,828	22,747	180,827	57,861
EBITDA	164,493	(31,747)	407,875	(22,623)
Loss on extinguishment of debt (a)	8,240	5,316	20,189	5,316
Equity-based compensation expense (b)	5,365	5,502	21,394	10,969
Transaction costs (c)	4,616	10,213	44,570	16,612
Severance (d)	469	921	2,002	3,245
Change in fair value of contingent consideration common shares liability (e)	(10,006)	25,525	(34,050)	41,850
Change in fair value of warrant liability (f)	(16,737)	36,912	(57,359)	72,358
Other non-recurring expense (income) (g)	(166)	518	3,219	(1,473)
Adjusted EBITDA	156,274	53,160	407,840	126,254
Less: Patient equipment capex (h)	(50,153)	(17,248)	(140,936)	(42,283)
Adjusted EBITDA less Patient Equipment Capex	\$ 106,121	\$ 35,912	\$ 266,904	\$ 83,971

(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 \$1.9 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, \$1.6 million of expenses associated with lease terminations, a \$1.1 million charge for the increase in the fair value of contingent consideration liabilities related to acquisitions, and \$0.1 million of other non-recurring charges, offset by a \$1.9 million gain in connection with the consolidation of an equity method investment and 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 in connection with 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, and \$0.5 million of other non-recurring expenses.

(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.

Share Count Information

(in thousands)	Common Stock	Preferred Stock ⁽¹⁾
Number of shares outstanding at June 30, 2021	130,064	124
Common Stock issued in connection with acquisitions	977	-
Equity-based compensation activity	1,087	-
Employee stock purchase plan activity	26	-
Number of shares outstanding at September 30, 2021	132,154	124

(1) Shares of Series B-1 Preferred Stock convert to Common Stock at a ratio of 100:1

Earnings Per Share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Numerator				
Net income (loss) attributable to AdaptHealth Corp.	\$ 58,092	\$ (51,035)	\$ 133,233	\$ (81,116)
Less: Earnings allocated to participating securities ⁽¹⁾	5,002	–	12,572	–
Net income (loss) for basic EPS	\$ 53,090	\$ (51,035)	\$ 120,661	\$ (81,116)
Change in fair value of warrant liability ⁽²⁾	(16,737)	–	(57,359)	–
Change in fair value of contingent consideration common shares liability ⁽²⁾	(8,145)	–	(27,718)	–
Net income (loss) for diluted EPS	\$ 28,208	\$ (51,035)	\$ 35,584	\$ (81,116)
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	131,684	57,372	124,228	47,986
Add: Warrants ⁽²⁾	2,245	–	2,598	–
Add: Contingent Consideration Common Shares ⁽²⁾	2,000	–	2,000	–
Add: Stock options	3,794	–	4,112	–
Add: Unvested restricted stock	599	–	700	–
Diluted weighted-average common shares outstanding	140,322	57,372	133,638	47,986
Basic net income (loss) per share	\$ 0.40	\$ (0.89)	\$ 0.97	\$ (1.69)
Diluted net income (loss) per share	\$ 0.20	\$ (0.89)	\$ 0.27	\$ (1.69)

(1) The Company's preferred stock are considered participating securities. In accordance with U.S. GAAP, the EPS calculations exclude from the numerator any undistributed earnings considered to be attributable to participating securities. The related participating securities are similarly excluded from the denominator. There were participating securities outstanding for all periods presented. There was no amount allocated to the participating securities during the three and nine months ended September 30, 2020 due to the net loss reported in those periods.

(2) For the three and nine months ended September 30, 2021, in accordance with U.S. GAAP, the impact to earnings from the change in fair value of the Company's contingent consideration common shares liability and the Company's warrant liability are reversed from the numerator, and the corresponding securities are included in the denominator, for purposes of calculating diluted income per share as the effect of the numerator and denominator adjustments for these derivative instruments is dilutive as a result of the gains recorded for the changes in fair value of these instruments during those periods. For the three and nine months ended September 30, 2020, the numerator and denominator for the diluted net loss per share calculation is the same as used in the basic net loss per share calculation and therefore exclude the effect of potential dilutive securities as their inclusion would have been anti-dilutive.