



 **adapt**health

Financial Supplement – Q4 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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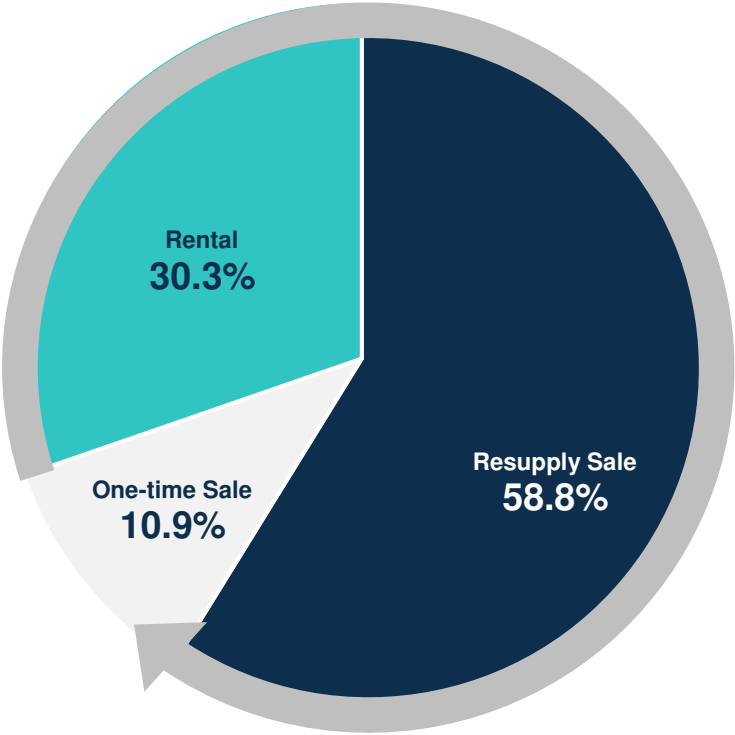
Summary Financial Results

(in thousands)	Three Months Ended				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Sales revenue	\$ 489,373	\$ 432,171	\$ 400,597	\$ 317,265	\$ 262,219
Rental revenue	\$ 212,733	\$ 221,122	\$ 216,420	\$ 164,854	\$ 86,210
Total net revenue	\$ 702,106	\$ 653,293	\$ 617,017	\$ 482,119	\$ 348,429
Operating income ⁽¹⁾	\$ 69,079	\$ 75,710	\$ 65,407	\$ 15,409	\$ 34,297
Net income (loss) attributable to AdaptHealth Corp. ⁽²⁾	\$ 22,942	\$ 58,092	\$ 79,107	\$ (3,966)	\$ (80,516)
Adjusted EBITDA	\$ 158,078	\$ 156,274	\$ 147,391	\$ 104,175	\$ 79,365
Adjusted EBITDA less Patient Equipment Capex	\$ 100,022	\$ 106,121	\$ 98,866	\$ 61,917	\$ 58,512
<u>% of Revenue</u>					
Adjusted EBITDA	22.5%	23.9%	23.9%	21.6%	22.8%
Adjusted EBITDA less Patient Equipment Capex	14.2%	16.2%	16.0%	12.8%	16.8%

(1) The three months ended December 31, 2021 and 2020 includes \$10.6 million and \$14.3 million, respectively, of grant income recognized related to the CARES Act provider relief funds.

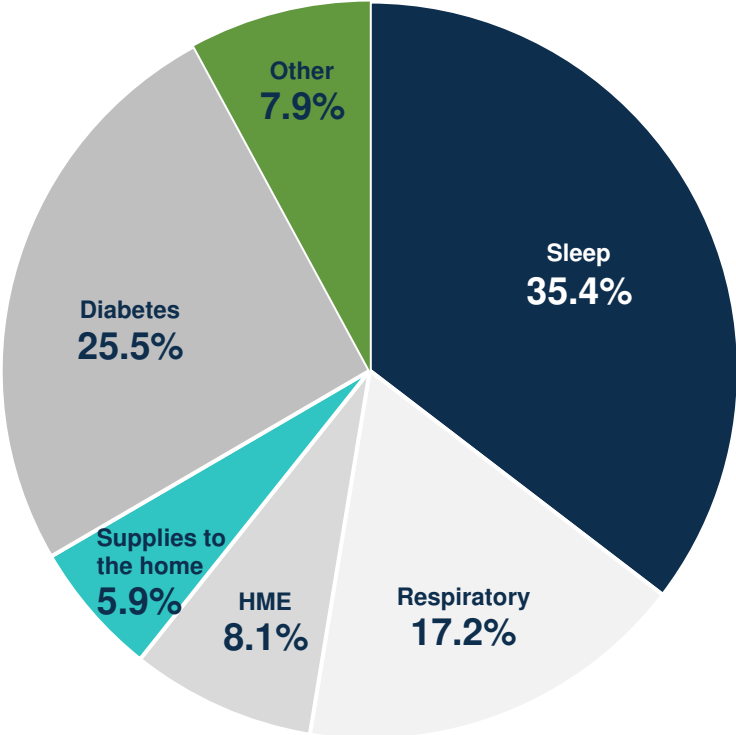
(2) Net income (loss) attributable to AdaptHealth Corp. includes non-cash charges or gains resulting from the changes in the estimated fair value of the Company's contingent consideration common shares liability and the Company's warrant liability. Changes in such liabilities are marked to market and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

Q4 2021 Business Mix Summary⁽¹⁾

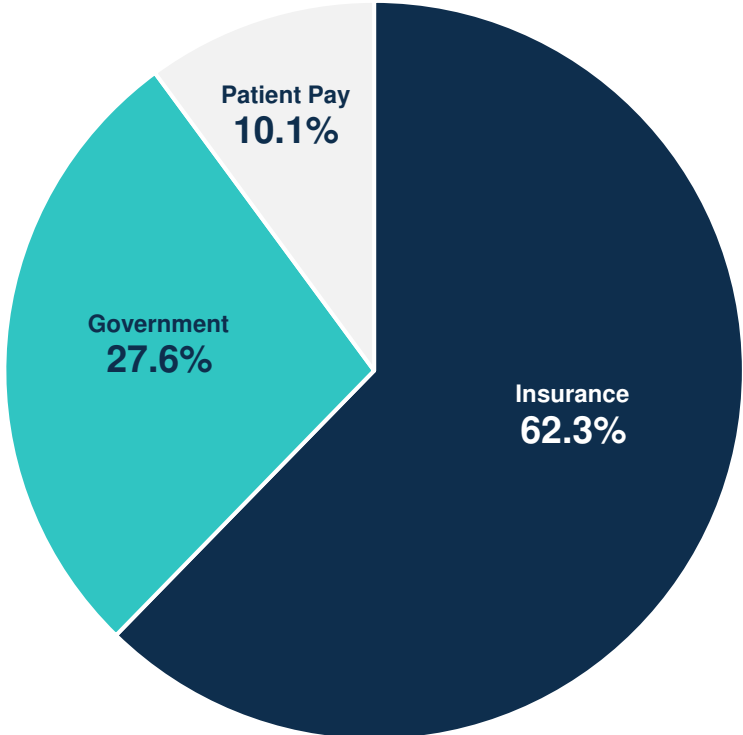


~90% of revenue comes from recurring sales or rentals

Sale Type



Product



Payor

(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their needs for COVID patients (\$0.2 million in Q4 2021).

Revenue by Product

(in thousands)

Three Months Ended

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net sales revenue					
Sleep	\$ 188,758	\$ 173,359	\$ 163,331	\$ 128,682	\$ 84,890
Diabetes	175,523	134,228	123,314	95,017	94,924
Supplies to the home	41,351	42,441	42,675	41,363	45,145
Respiratory	6,013	6,228	13,154	5,621	2,571
HME	32,010	30,989	30,360	24,156	18,725
Other	45,718	44,926	27,763	22,426	15,964
Total net sales revenue	<u>\$ 489,373</u>	<u>\$ 432,171</u>	<u>\$ 400,597</u>	<u>\$ 317,265</u>	<u>\$ 262,219</u>
% of total net revenue	69.7%	66.2%	64.9%	65.8%	75.3%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 60,053	\$ 62,755	\$ 66,335	\$ 48,109	\$ 28,077
Diabetes	3,332	3,722	3,216	2,853	1,521
Respiratory	114,370	117,918	111,528	83,454	35,728
HME	25,082	26,043	24,431	20,380	16,152
Other	9,896	10,684	10,910	10,058	4,732
Total net revenue from fixed monthly equipmen reimbursements	<u>\$ 212,733</u>	<u>\$ 221,122</u>	<u>\$ 216,420</u>	<u>\$ 164,854</u>	<u>\$ 86,210</u>
% of total net revenue	30.3%	33.8%	35.1%	34.2%	24.7%
Total net revenue					
Sleep	\$ 248,811	\$ 236,114	\$ 229,666	\$ 176,791	\$ 112,967
Diabetes	178,855	137,950	126,530	97,870	96,445
Supplies to the home	41,351	42,441	42,675	41,363	45,145
Respiratory	120,383	124,146	124,682	89,075	38,299
HME	57,092	57,032	54,791	44,536	34,877
Other	55,614	55,610	38,673	32,484	20,696
Total net revenue	<u>\$ 702,106</u>	<u>\$ 653,293</u>	<u>\$ 617,017</u>	<u>\$ 482,119</u>	<u>\$ 348,429</u>

Revenue by Sale Type

(in thousands)

Three Months Ended

	December 31, 2021 (Excl B2B) ⁽¹⁾	December 31, 2021	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
Resupply Sale	\$ 412,495	\$ 412,495	\$ 358,913	\$ 358,913	\$ 332,719	\$ 332,719	\$ 266,990	\$ 266,990
One-time Sale	76,666	76,878	72,909	73,258	59,309	67,878	49,096	50,275
Rental	212,697	212,733	221,097	221,122	216,438	216,420	164,730	164,854
Total net revenue	\$ 701,858	\$ 702,106	\$ 652,919	\$ 653,293	\$ 608,466	\$ 617,017	\$ 480,816	\$ 482,119
Resupply Sale	58.8%	58.8%	55.0%	54.9%	54.7%	53.9%	55.5%	55.4%
One-time Sale	10.9%	10.9%	11.1%	11.2%	9.7%	11.0%	10.2%	10.4%
Rental	30.3%	30.3%	33.9%	33.9%	35.6%	35.1%	34.3%	34.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Resupply Sale & Rental	89.1%	89.1%	88.9%	88.8%	90.3%	89.0%	89.8%	89.6%

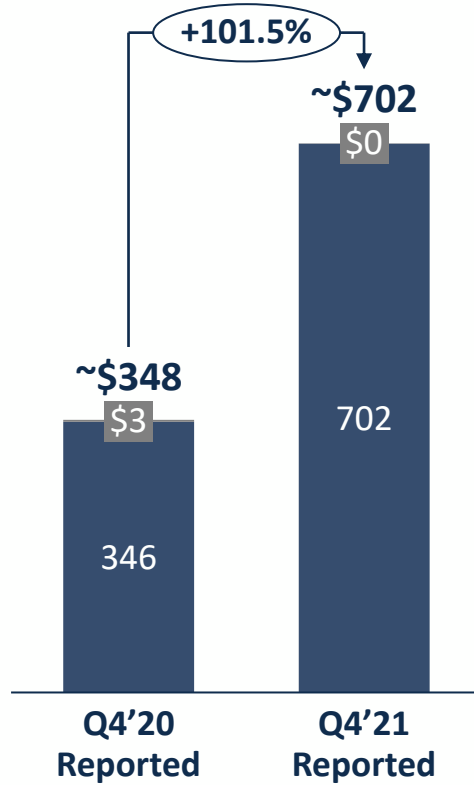
(1) Excludes B2B sales and rental revenue to referral partners and healthcare facilities in support of their needs for COVID patients.

Organic Net Revenue Growth

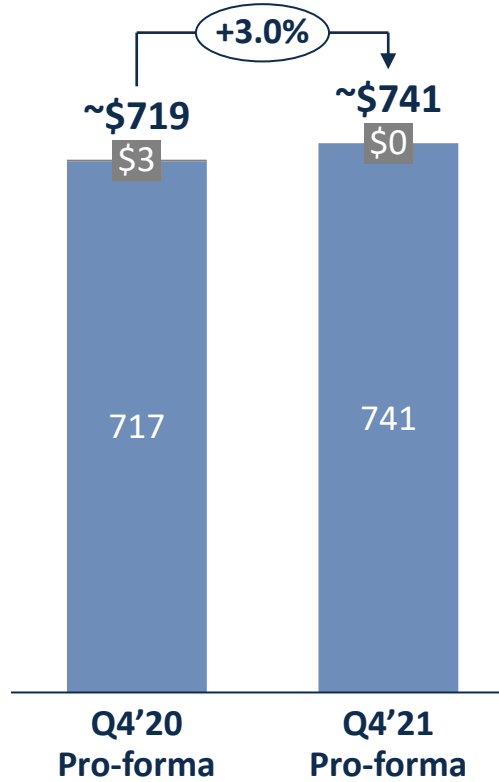
■ B2B

In millions

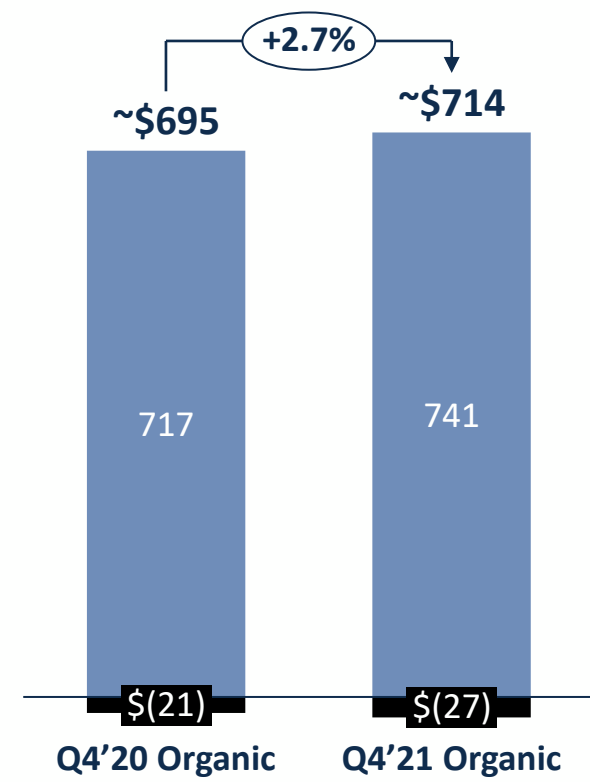
Reported Net Revenue Growth



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.

** **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.

Acquired	~\$355	~\$365	3.0%
Non-Acquired	~\$341	~\$349	2.4%
	~\$695	~\$714	2.7%

See next slide for details

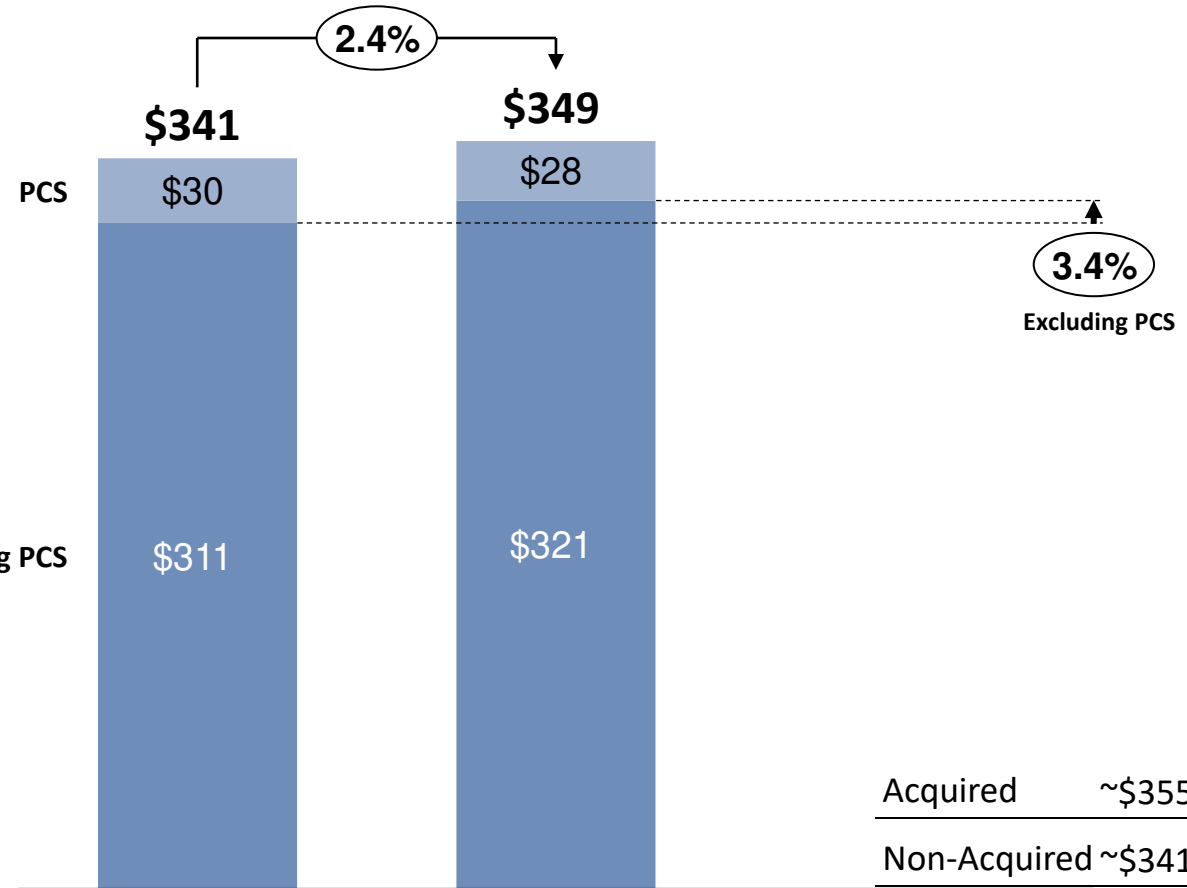
Acquired and Non-Acquired Growth

\$ in Millions

Acquired Net Revenue



Non-Acquired Net Revenue



Acquired	~\$355	~\$365	3.0%
Non-Acquired	~\$341	~\$349	2.4%
Total	~\$695	~\$714	2.7%



Appendix



Non-GAAP Reconciliation

(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income (loss) attributable to AdaptHealth Corp.	\$ 22,942	\$ (80,516)	\$ 156,175	\$ (161,632)
Income (loss) attributable to noncontrolling interests	529	(9,996)	1,978	(32,454)
Interest expense, net	25,611	13,604	95,195	41,430
Income tax expense (benefit)	10,024	(7,219)	32,806	(11,955)
Depreciation and amortization, including patient equipment depreciation	77,226	24,584	258,053	82,445
EBITDA	136,332	(59,543)	544,207	(82,166)
Loss on extinguishment of debt (a)	-	-	20,189	5,316
Equity-based compensation expense (b)	3,929	7,701	25,323	18,670
Transaction costs (c)	4,511	9,961	49,081	26,573
Severance (d)	2,415	2,351	4,417	5,596
Change in fair value of contingent consideration common shares liability (e)	4,661	56,867	(29,389)	98,717
Change in fair value of warrant liability (f)	4,178	63,010	(53,181)	135,368
Other non-recurring expense (income) (g)	2,052	(982)	5,271	(2,455)
Adjusted EBITDA	158,078	79,365	565,918	205,619
Less: Patient equipment capex (h)	(58,056)	(20,853)	(198,992)	(63,136)
Adjusted EBITDA less Patient Equipment Capex	\$ 100,022	\$ 58,512	\$ 366,926	\$ 142,483

(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 year-to-date period is due to overall increased equity compensation grant activity in that period, as well as expense resulting from accelerated vesting of certain awards, 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 \$2.1 million of expenses related to legal and other costs associated with the separation of the Company's former Co-CEO, \$3.9 million of expenses associated with legal settlements, \$1.9 million of expenses associated with lease terminations, and \$0.2 million of net other non-recurring expenses, offset by a \$1.9 million gain in connection with the consolidation of an equity method investment, and \$0.9 million of net reductions in the fair value of contingent consideration liabilities related to acquisitions. The 2020 year-to-date period includes \$4.2 million of net reductions in the fair value of contingent consideration liabilities related to acquisitions, offset by a \$1.5 million expense related to a transition services agreement executed in connection with an acquisition completed in 2020, and \$0.2 million of net other non-recurring expenses.

(h) Represents the value of patient equipment obtained during the respective period without regard to whether the equipment is purchased or financed through lease transactions.

Earnings Per Share

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Numerator				
Net income (loss) attributable to AdaptHealth Corp.	\$ 22,942	\$ (80,516)	\$ 156,175	\$ (161,632)
Less: Earnings allocated to participating securities ⁽¹⁾	1,965	—	14,379	—
Net income (loss) for basic EPS	\$ 20,977	\$ (80,516)	\$ 141,796	\$ (161,632)
Change in fair value of warrant liability ⁽²⁾	—	—	(53,181)	—
Net income (loss) for diluted EPS	\$ 20,977	\$ (80,516)	\$ 88,615	\$ (161,632)
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	132,470	65,897	126,306	52,488
Add: Warrants ⁽²⁾	—	—	2,377	—
Add: Stock options	3,504	—	3,782	—
Add: Unvested restricted stock	402	—	569	—
Diluted weighted-average common shares outstanding	136,376	65,897	133,034	52,488
Basic net income (loss) per share	\$ 0.16	\$ (1.22)	\$ 1.12	\$ (3.08)
Diluted net income (loss) per share	\$ 0.15	\$ (1.22)	\$ 0.67	\$ (3.08)

(1) The Company's preferred stock are considered participating securities. In accordance with U.S. GAAP, the EPS computations 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 twelve months ended December 31, 2020 due to the net loss reported in those periods.

(2) For the twelve months ended December 31, 2021, in accordance with U.S. GAAP, the impact to earnings from the change in fair value of the Company's warrant liability is excluded from the numerator, and the corresponding security is included in the denominator, for purposes of calculating diluted income per share as the effect of the numerator and denominator adjustments for this derivative instrument is dilutive as a result of the non-cash gain recorded for the change in fair value of this instrument during the period. For the three months ended December 31, 2021, this derivative instrument is excluded from the numerator and denominator adjustments as its inclusion would have been anti-dilutive. For the three and twelve months ended December 31, 2020, the numerator and denominator for the diluted net loss per share computation is the same as used in the basic net loss per share computation and therefore exclude the effect of potential dilutive securities as their inclusion would have been anti-dilutive.