



 **adapt**health

The logo for AdaptHealth, featuring a stylized icon of two plus signs (one cyan, one yellow) to the left of the word "adapt" in a bold, lowercase sans-serif font, followed by "health" in a regular, lowercase sans-serif font.

J.P. Morgan Global High Yield & Leveraged Finance Conference
February-March 2022

AdaptHealth Overview

- Leading Provider of HME, CGM / diabetes management products and medical supplies to the home
 - National footprint with density in attractive geographies
 - Serve ~3.8mm unique patients
 - Industry-leading technology platform
 - Long-standing and diverse referral relationships and attractive payor mix
- Addressing large and growing market:
 - HME: \$12-\$15bn segment in the broader \$56bn HME industry⁽¹⁾
 - CGM & Diabetes: \$16bn segment
 - Medical Supplies to the Home: \$10bn segment
- Successful track record of growth, accretive capital deployment, and market-leading profitability
 - Fast growing end markets supporting organic growth
 - Targeting at least \$150mm in acquired revenue annually

Ticker	AHCO
Headquarters	Plymouth Meeting, PA
Outstanding Shares	148.8mm ⁽²⁾
Market Cap (12/31/21)	\$2,260mm
LTM 12/31/21 Net Revenue	\$2,455mm
LTM 12/31/21 Adj. EBITDA	\$566mm

(1) Company analysis based on market and Wall Street research

(2) Number of shares outstanding at December 31, 2021, including common shares and as-converted preferred shares

Investment Highlights



Leading Independent HME Provider

- Advantageous purchasing scale
- Relevance with payors and diversification through geographic reach



Attractive Underlying Organic Growth

- Massive, underpenetrated markets of patients with chronic conditions
- Share gains and cross-selling opportunities



Participating in Ongoing Migration of Care into the Home

- Lowest-cost care setting
- Preferred by patients, physicians, and payors



Stable Reimbursement and Regulatory Outlook

- Competitive bidding program effectively de-risked through 2023
- Industry support improved through COVID-19 pandemic



Proven, Successful M&A Track Record

- Highly accretive merger with AeroCare creates shareholder value, brings together best-in-class platforms
- Strong pipeline of attractively-priced opportunities in Sleep/Respiratory/DME and higher-growth Diabetes targets



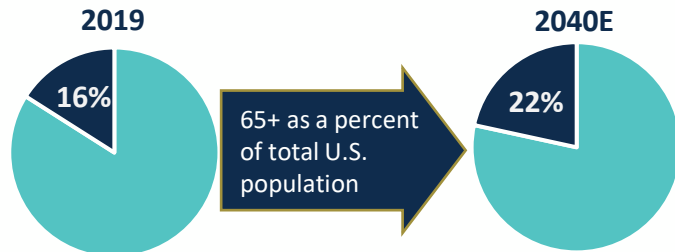
Attractive Financial Profile

- Leverage target ~3x or below per covenant definition
- Free cash flow should support typical annual M&A target

Attractive industry backdrop

Strong demographic tailwinds

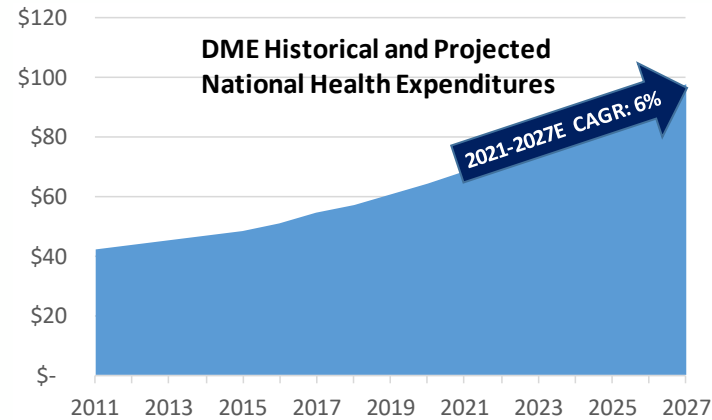
- The population of Americans aged 65 and older numbered 54.1mm in 2019, increasing by 14.4mm or +36% since 2009
- This compares with growth of 3% for the under-65 population over the same 10-year period



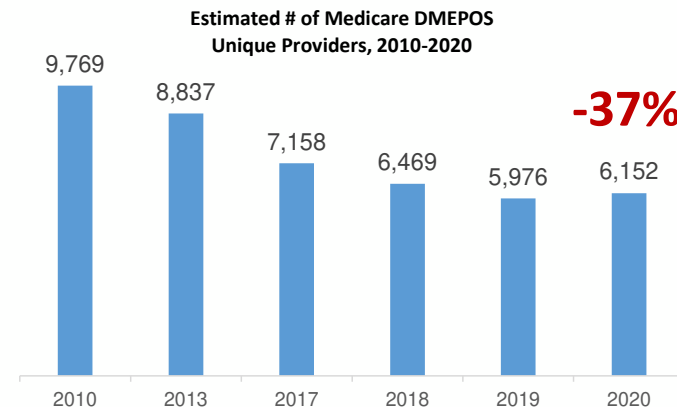
Prevalence of Select Chronic Diseases Among Medicare Beneficiaries, 2018

	<65 Yrs	65+ Yrs
Asthma	7.5%	4.5%
Chronic Kidney Disease	22.2%	24.9%
COPD	12.2%	11.4%
Diabetes	26.4%	27.1%
Hypertension	42.4%	59.8%
Stroke	2.7%	3.9%

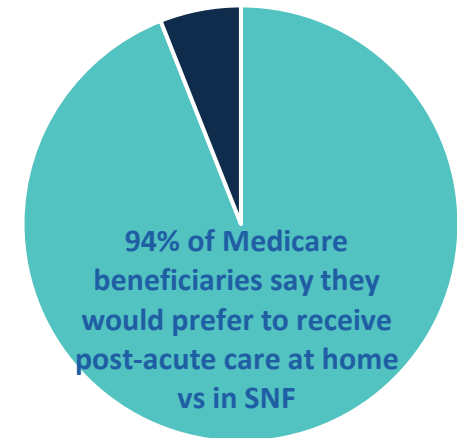
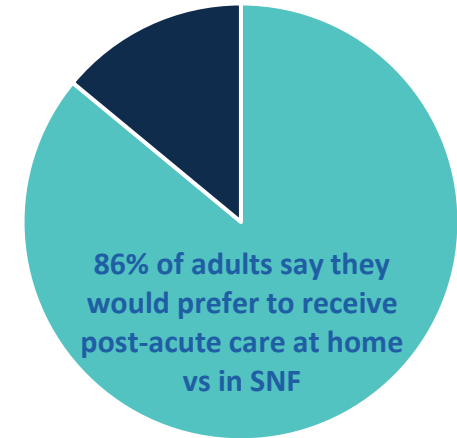
Growing demand



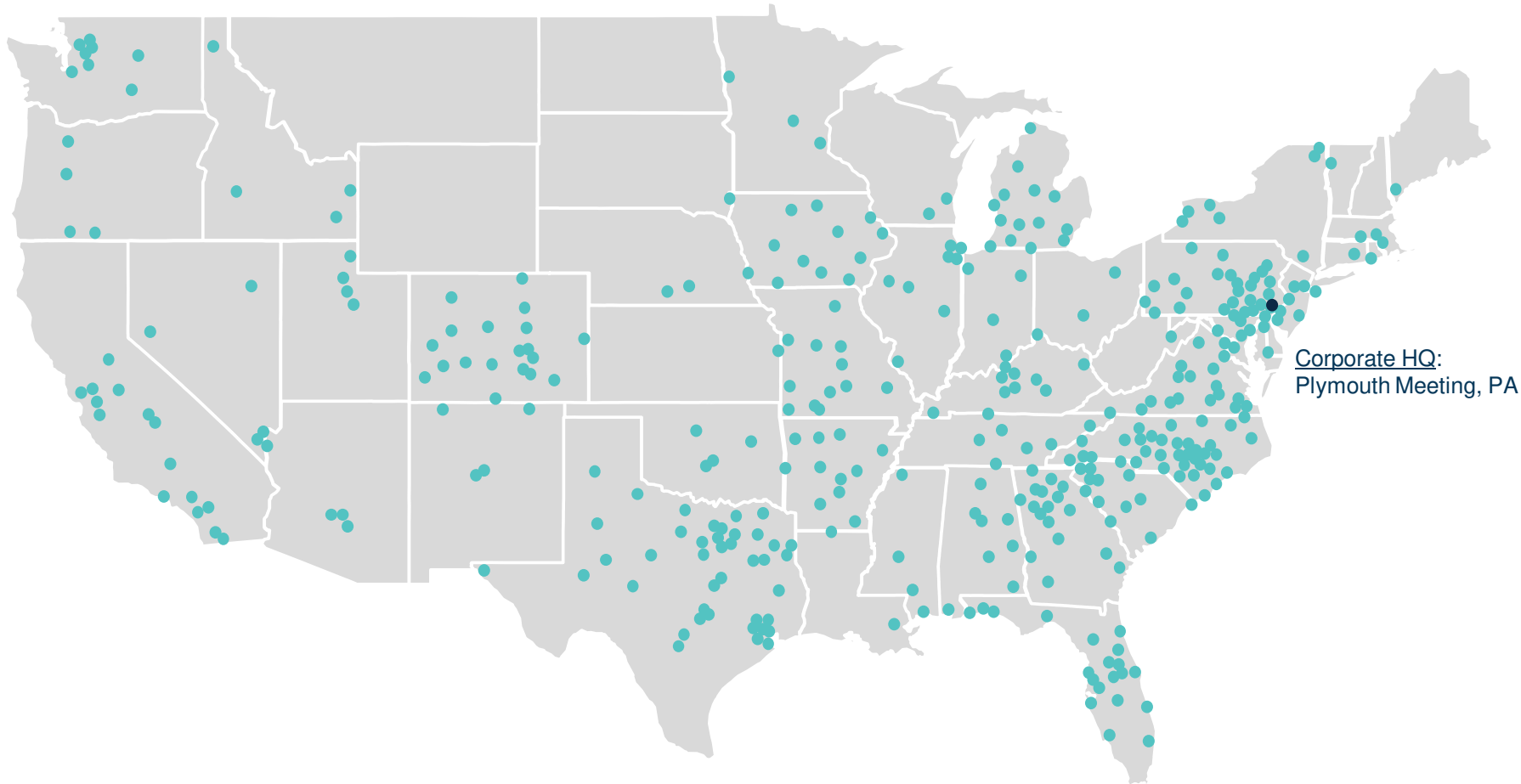
Shrinking competitive landscape



Clinical trends favor home care



AdaptHealth's Nationwide Footprint and Leading Scale



**Over 3.8MM
Patients Served**

**Over 750 Service Locations
in 47 States**

**Over 11,000 Employees
Including >650 Salespeople**

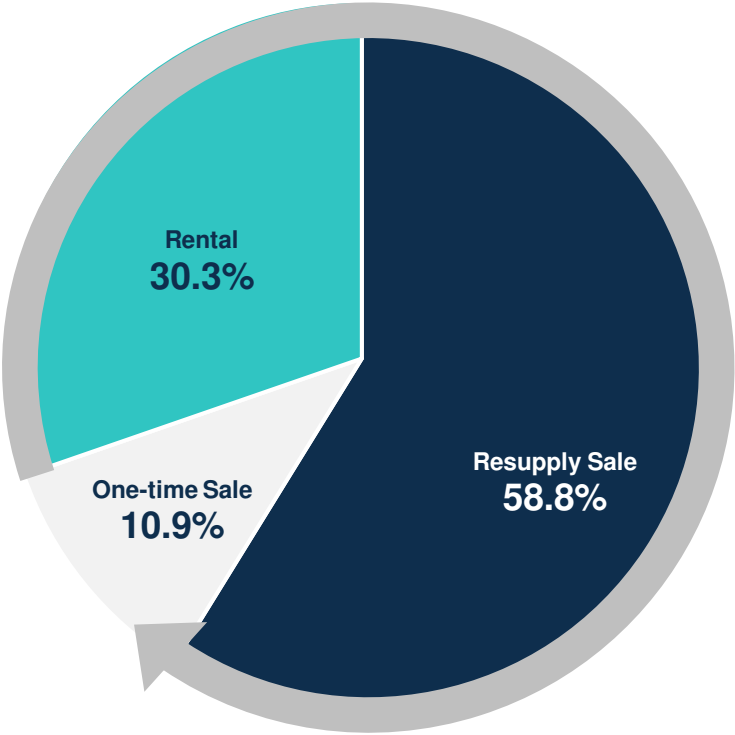
~32,000 Daily Deliveries

**Over 200,000
Referral Sources**

**Over 2,600
Insurance Contracts**

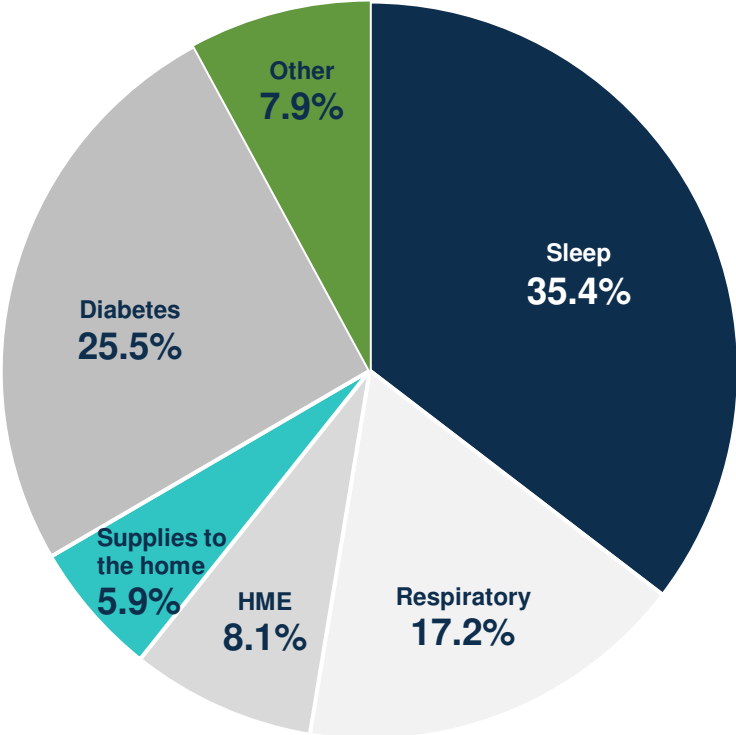
**~10,000 Items Offered from
~150 Vendors**

Diverse Product Offering & Payor Mix With Significant Recurring Revenue ⁽¹⁾

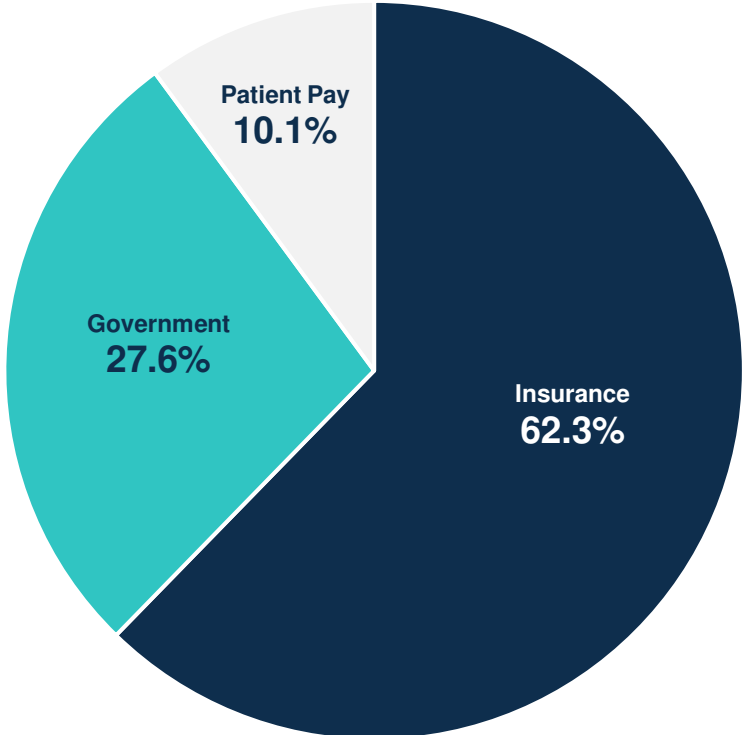


~90% of revenue comes from recurring sales or rentals

Sale Type



Product



Payor

(1) Q4 2021 net revenue mix; 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).

AdaptHealth's Strategic Vision

Leading Provider of HME, CGM / Diabetes Management and Medical Supplies to the Home

- National footprint with density in attractive markets
- Industry-leading technology platform
- Broad portfolio of product offerings to address patient needs in the home
- Long-term, recurring, nondiscretionary products; meaningful overlap across patient base
- Significant experience acquiring and integrating HME, diabetes and supply businesses



Leading Provider of Connected Health Solutions

- Integrated, condition-specific product suites
- Real-time, actionable data to drive lower costs and improved clinical outcomes
- Value-add partner to payors, providers and patients
- Supporting the transition from fee-for-service to fee-for-value
- Risk-based contracting (currently piloting)

We enable complex care in the home and are playing an increasing role in health management

Proven & Experienced Management Team

Steve Griggs – Chief Executive Officer, Director



- CEO of AdaptHealth
- Founded AeroCare in 2002 and served as President and CEO
- Prior to AeroCare, served as CFO, COO and President of Rotech Medical Corporation; he then went on to help found Nexus Group where he served as Principal and Managing Director

Joshua Parnes – President, Director



- Joined AdaptHealth in 2013 with the acquisition of Ocean Home Health and has served as President since 2017
- Built Ocean Home Health from a startup into a successful HME provider and has over 14 years of operating experience in HME

Jason A. Clemens, CFA – Chief Financial Officer



- Joined AdaptHealth in 2020 from MEDNAX, Inc. where he served as Senior Vice President and Operations Chief Financial Officer
- Over a 9 year career at MEDNAX, held positions of increasing responsibility in operations and finance
- Prior to joining MEDNAX, gained experience with the United States Army, supporting the Republic of Korea Army

Chris Joyce – General Counsel



- Joined AdaptHealth in 2018 and has over 25 years of experience as Chief Legal Officer for provider-based and managed care companies
- Most recently served as General Counsel of InnovaCare, Inc., a \$2 billion managed care insurance company

Shaw Rietkerk – Chief Operating Officer



- Joined AdaptHealth in 2018 and has over 2 decades of healthcare services leadership experience, with extensive background in RCM, operations, business process outsourcing, account management and process optimization
- Most recently served as Executive Vice President of Revenue Cycle Management at Brightree

Albert Prast – Chief Technology Officer



- Joined AdaptHealth from AeroCare, where he served as CIO and CTO since 2014
- Previously served as SVP of Cloud Technology for UnitedHealth Group, CTO of Optum Cloud, CIO of Connexions Health, and CIO & CTO of Rotech Healthcare

Dan Bunting – Head of Branch Operations



- Joined AdaptHealth from AeroCare, where he served as COO since 2002
- Over 20 years of experience in the healthcare landscape, previously holding the position of CEO & COO of EVO Medical Solutions

Wendy Russalesi – Chief Compliance Officer



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

M&A outlook: Proven track record, compelling opportunity

Disciplined acquisition strategy

2021 M&A Activity (excl. AeroCare)

Total deals in 2021: 20 HME / Sleep
2 Diabetes

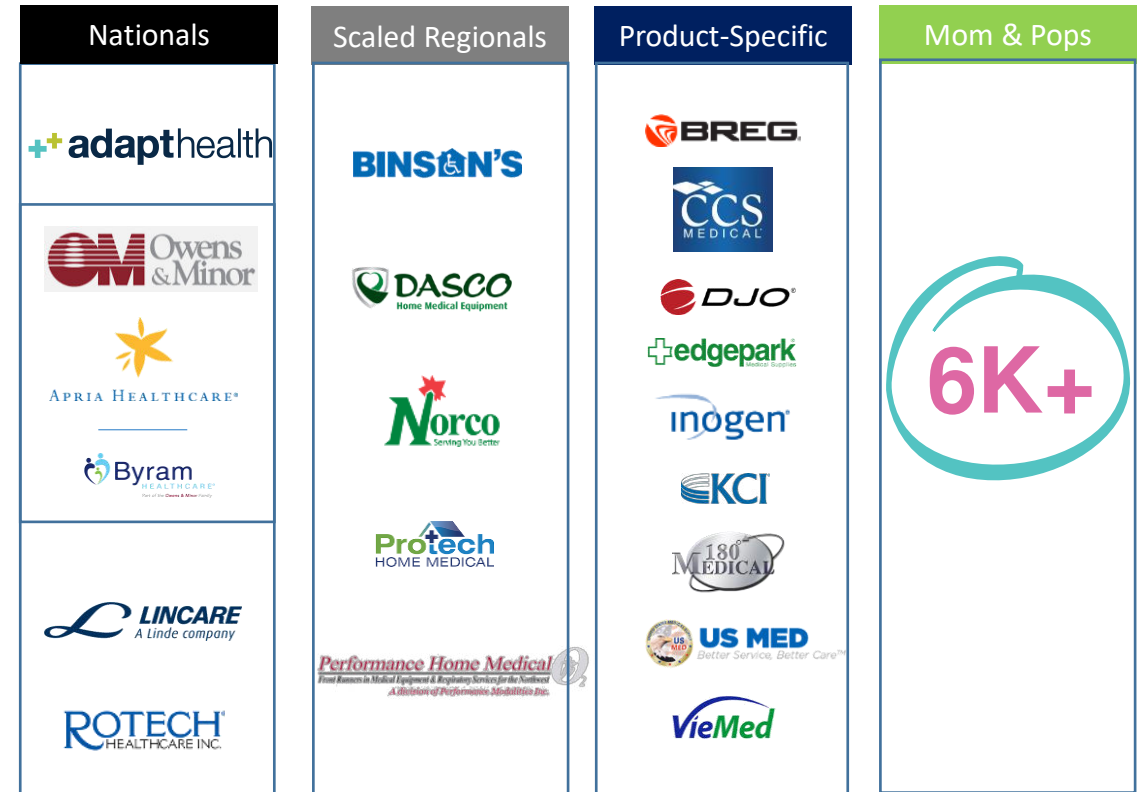
Total M&A spend: >\$500 million

Average LTM revenue multiple: 0.9x

Average LTM Adj. EBITDA multiple: <6.0x

~20% purchasing synergies typical immediately post-closing

Significant whitespace in target segments



Financials



Recent Financing Activity and Pro Forma Credit Statistics

(\$ and Shares In Millions)

Summary of Recent Financing Activity

- August 2021, issued \$600mm 5.125% Senior Notes due 2030
- repaid existing 12% promissory notes and revolving credit facility
- January 2021, issued \$500mm 4.625% Senior Notes due 2029
- January 2021, issued 8.45mm primary shares of Class A Common Stock (7.25mm primary offering, 1.20mm incremental underwriter's shares)
- January 2021, refinanced and increased existing senior secured credit facilities including Term Loan A and Revolver

Credit Statistics, As Adjusted

LTM 12/31/21 Adjusted EBITDA	\$566
Secured Debt	\$816
Total Debt ⁽¹⁾	\$2,266
Cash and Cash Equivalents	\$150
Secured Net Leverage Based on LTM Adjusted EBITDA⁽²⁾	1.18x
Total Net Leverage Based on LTM Adjusted EBITDA⁽²⁾	3.74x
Total Net Leverage Based on 2022 Guidance Midpoint	3.31x

Net Debt

	12/31/21 PF, As Adjusted
Cash and Cash Equivalents	\$150 ⁽³⁾
Term Loans	\$785
Revolver/LC's	\$15
Capital Lease Obligations	\$16
Secured Debt	\$816
6.125% Senior Notes due 2028	\$350
4.625% Senior Notes due 2029	\$500
5.125% Senior Notes due 2030	\$600
Total Debt	\$2,266⁽²⁾

(1) Represents total long-term debt and capital lease obligations and excludes the impact of unamortized debt issuance costs.
(2) Net Leverage Ratios defined as (Debt – Cash / Adjusted EBITDA)

2022 and Beyond

2022 Guidance

Net Revenue*	\$2,825 to \$3,025
Adj. EBITDA*	\$610 to \$670
Adj. EBITDA Margin	21.6-22.1%
Total CapEx	9-11% of Net Revenue

*FY22 Net Revenue and Adj. EBITDA guidance excludes any contribution from future M&A

Long-Term Targets

Business Mix	Sleep: ~40% Diabetes: ~30% All Other: ~30%
Acquired Revenue	At least \$150mm annually
Adj. EBITDA Margin	23% to 25%
Total CapEx	8-10% of Net Revenue