



 **adapt**health

Financial Supplement – Q2 2022

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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 and Adjusted EBITDA. AdaptHealth defines EBITDA as net income (loss) attributable to AdaptHealth Corp., plus net income (loss) attributable to noncontrolling interests, interest expense, net, 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, change in fair value of the contingent consideration common shares liability, change in fair value of the warrant liability, and other non-recurring items of expense or income. EBITDA and Adjusted EBITDA should not be considered as measures of financial performance under U.S. GAAP, and the items excluded from EBITDA and Adjusted EBITDA 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

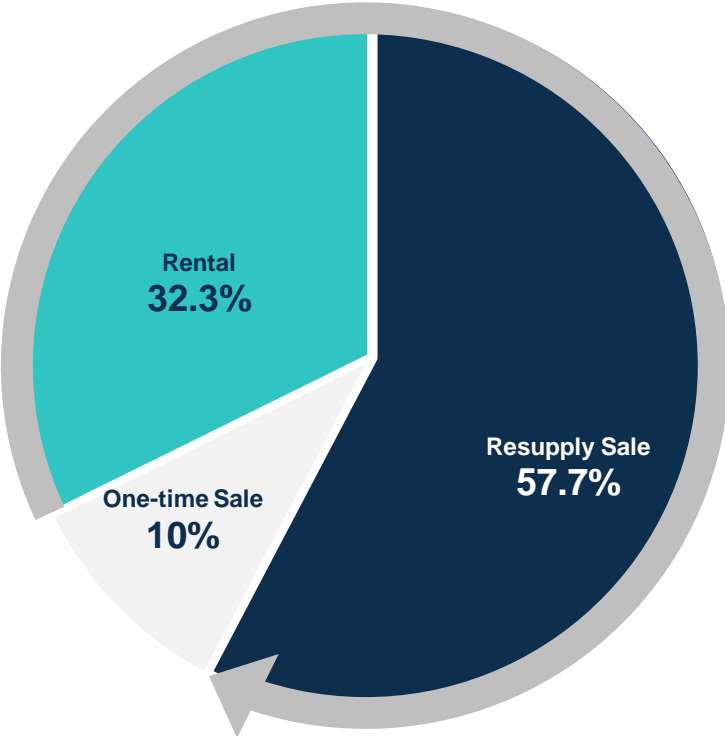
(in thousands)

	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Sales revenue	\$ 492,654	\$ 475,955	\$ 489,373	\$ 432,171	\$ 400,597
Rental revenue	\$ 234,960	\$ 230,248	\$ 212,733	\$ 221,122	\$ 216,420
Total net revenue	\$ 727,614	\$ 706,203	\$ 702,106	\$ 653,293	\$ 617,017
Operating income ⁽¹⁾	\$ 59,178	\$ 51,552	\$ 69,079	\$ 75,710	\$ 65,407
Net income attributable to AdaptHealth Corp. ⁽²⁾	\$ 14,032	\$ 41,750	\$ 22,942	\$ 58,092	\$ 79,107
Adjusted EBITDA	\$ 150,007	\$ 137,644	\$ 158,078	\$ 156,274	\$ 147,391
Adjusted EBITDA as a percentage of net revenue	20.6%	19.5%	22.5%	23.9%	23.9%

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

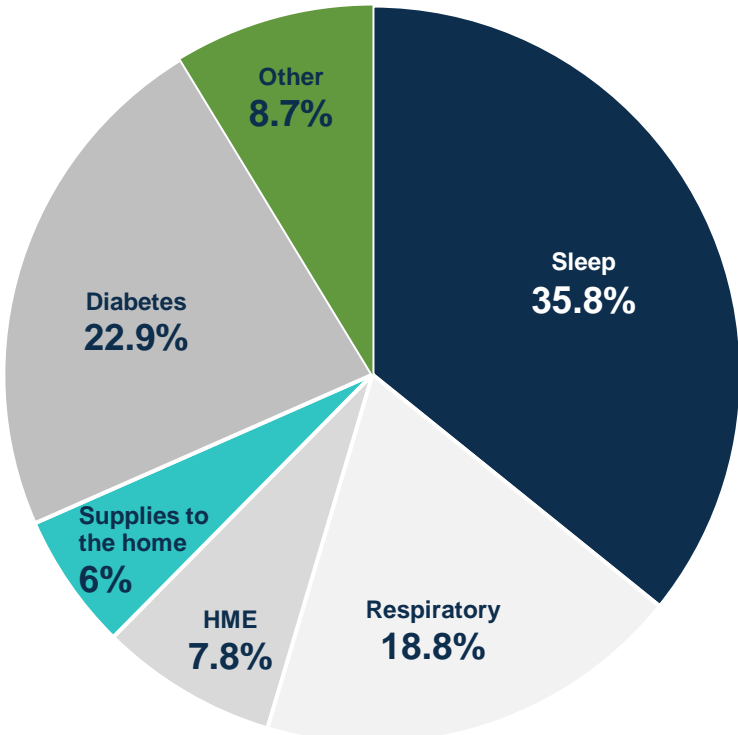
(2) Net income attributable to AdaptHealth Corp. includes non-cash charges or gains resulting from the changes in the estimated fair value of the Company's warrant liability and the Company's contingent consideration common shares liability. Changes in such liabilities are marked to market and recorded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

Q2 2022 Business Mix Summary⁽¹⁾

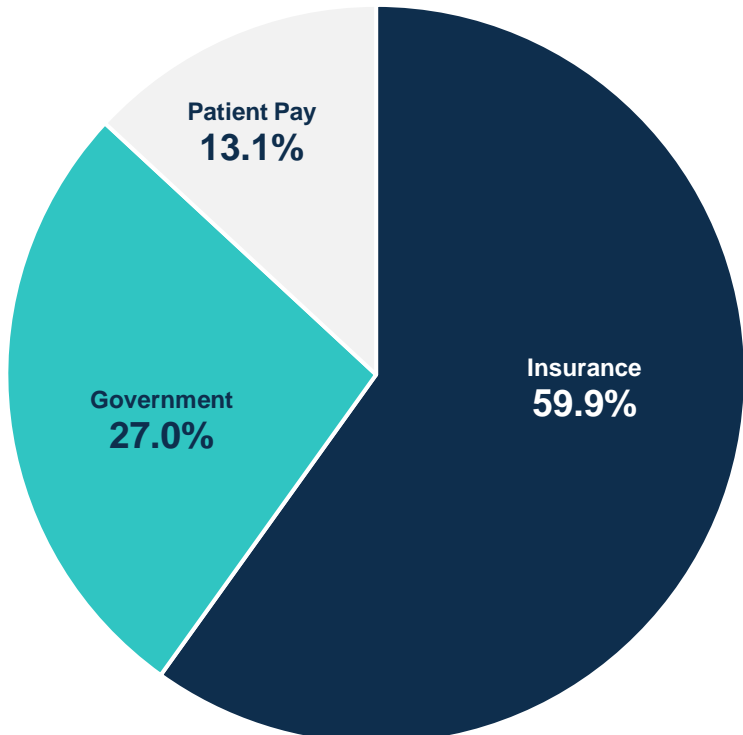


~90% of revenue comes from recurring sales or rentals

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 (\$0.1 million in Q2 2022).

Revenue by Product

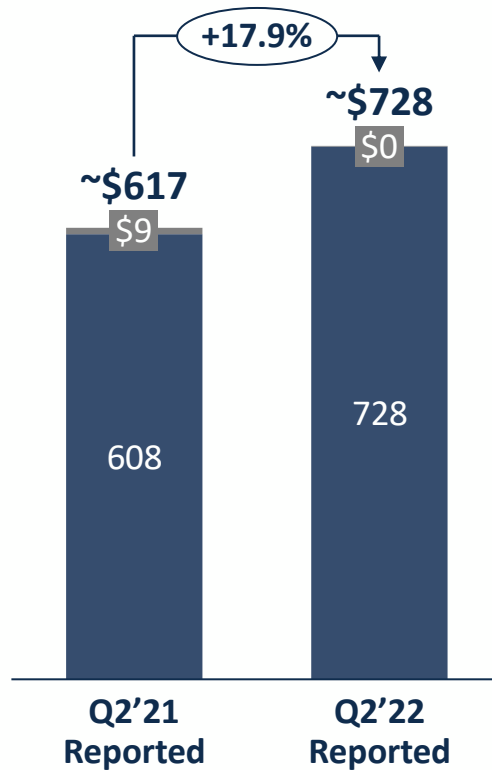
(in thousands)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Net sales revenue					
Sleep	\$ 194,693	\$ 192,335	\$ 188,758	\$ 173,359	\$ 163,331
Diabetes	162,259	151,359	175,523	134,228	123,314
Supplies to the home	43,881	39,865	41,351	42,441	42,675
Respiratory	7,891	8,145	6,013	6,228	13,154
HME	31,102	30,851	32,010	30,989	30,360
Other	52,828	53,400	45,718	44,926	27,763
Total net sales revenue	<u>\$ 492,654</u>	<u>\$ 475,955</u>	<u>\$ 489,373</u>	<u>\$ 432,171</u>	<u>\$ 400,597</u>
% of total net revenue	67.7%	67.4%	69.7%	66.2%	64.9%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 65,661	\$ 57,938	\$ 60,053	\$ 62,755	\$ 66,335
Diabetes	4,034	3,946	3,332	3,722	3,216
Respiratory	128,865	132,580	114,370	117,918	111,528
HME	25,547	25,725	25,082	26,043	24,431
Other	10,853	10,059	9,896	10,684	10,910
Total net revenue from fixed monthly equipment reimbursements	<u>\$ 234,960</u>	<u>\$ 230,248</u>	<u>\$ 212,733</u>	<u>\$ 221,122</u>	<u>\$ 216,420</u>
% of total net revenue	32.3%	32.6%	30.3%	33.8%	35.1%
Total net revenue					
Sleep	\$ 260,354	\$ 250,273	\$ 248,811	\$ 236,114	\$ 229,666
Diabetes	166,293	155,305	178,855	137,950	126,530
Supplies to the home	43,881	39,865	41,351	42,441	42,675
Respiratory	136,756	140,725	120,383	124,146	124,682
HME	56,649	56,576	57,092	57,032	54,791
Other	63,681	63,459	55,614	55,610	38,673
Total net revenue	<u>\$ 727,614</u>	<u>\$ 706,203</u>	<u>\$ 702,106</u>	<u>\$ 653,293</u>	<u>\$ 617,017</u>

Net Revenue Growth

■ B2B

In millions

Reported Net Revenue Growth



Non-Acquired Net Revenue Growth ⁽¹⁾



(1) **Non-Acquired net revenue** compares the revenue of companies we have owned for a year or more based on the quarter of acquisition and excludes B2B revenue



Appendix



Non-GAAP Reconciliation

(in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income attributable to AdaptHealth Corp.	\$ 14,032	\$ 79,107	\$ 55,782	\$ 75,141
Income attributable to noncontrolling interests	1,215	951	1,695	1,275
Interest expense, net	25,608	23,147	50,384	45,332
Income tax expense	8,853	12,330	14,456	10,635
Depreciation and amortization, including patient equipment depreciation	79,474	63,793	156,504	110,999
EBITDA	129,182	179,328	278,821	243,382
Loss on extinguishment of debt (a)	—	7,736	—	11,949
Equity-based compensation expense (b)	5,720	7,447	11,222	16,029
Transaction costs (c)	2,205	8,100	5,313	39,954
Change in fair value of warrant liability (d)	8,208	(37,454)	(18,509)	(40,622)
Change in fair value of contingent consideration common shares liability (e)	—	(22,079)	—	(24,044)
Other non-recurring expense, net (f)	4,692	4,313	10,804	4,918
Adjusted EBITDA	\$ 150,007	\$ 147,391	\$ 287,651	\$ 251,566

- (a) Represents the write-off of unamortized deferred financing costs and other expenses 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.
- (c) Represents transaction costs and expenses related to integration efforts related to acquisitions.
- (d) Represents a non-cash charge or gain for the change in the estimated fair value of the warrant liability.
- (e) Represents a non-cash gain for the change in the estimated fair value of the contingent consideration common shares liability.
- (f) The 2022 year-to-date period consists of a \$4.5 million expense related to changes in the Company's estimated TRA liability, \$3.6 million of expenses associated with litigation claims, \$0.6 million of expenses associated with lease terminations, a \$0.8 million loss related to the write-off of an investment, and \$1.3 million of net other non-recurring expenses. The 2021 year-to-date period consists of \$1.5 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, \$1.0 million of expenses associated with lease terminations, and \$1.5 million of severance expense.

Share Count Information

(in thousands)	Common Stock	Preferred Stock ⁽¹⁾	Total Common and Preferred Stock if Converted		
Number of shares outstanding, March 31, 2022	134,246	124	146,646		
Equity-based compensation activity	117	-	117		
Exercise of stock options and warrants	62	-	62		
Number of shares outstanding, June 30, 2022	134,425	124	146,825		

(in thousands)	Warrants ⁽²⁾	Stock Options ⁽³⁾	Unvested Restricted Stock	Unearned Contingent Consideration Common Shares
Number of securities outstanding, March 31, 2022	4,056	5,483	2,654	1,000
Exercise of stock options and warrants	(53)	(91)	-	-
Grants of restricted stock	-	-	128	-
Vesting of restricted stock	-	-	(120)	-
Forfeitures of restricted stock	-	-	(25)	-
Number of securities outstanding, June 30, 2022	4,003	5,392	2,637	1,000

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

(2) Warrants have an exercise price of \$11.50 per share

(3) Stock options outstanding at June 30, 2022 have a weighted-average exercise price of \$11.62 per share

Note> The above tables represent the outstanding securities as of June 30, 2022. The shares included in the Earnings Per Share computations on the following slide represent the weighted-average shares outstanding for the corresponding periods as calculated under U.S. GAAP.

Earnings Per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator				
Net income attributable to AdaptHealth Corp.	\$ 14,032	\$ 79,107	\$ 55,782	\$ 75,141
Less: Earnings allocated to participating securities ⁽¹⁾	1,186	6,908	4,721	7,431
Net income for basic EPS	\$ 12,846	\$ 72,199	\$ 51,061	\$ 67,710
Change in fair value of warrant liability ⁽²⁾	—	(37,454)	(18,509)	(40,622)
Change in fair value of contingent consideration common shares liability ⁽²⁾	—	(18,357)	—	(19,991)
Net income for diluted EPS	\$ 12,846	\$ 16,388	\$ 32,552	\$ 7,097
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	134,332	129,664	134,178	120,438
Add: Warrants ⁽²⁾	—	2,554	1,313	2,736
Add: Contingent consideration common shares	—	2,000	—	2,000
Add: Stock options	2,472	1,533	2,597	1,641
Add: Unvested restricted stock	211	831	247	905
Diluted weighted-average common shares outstanding	137,015	136,582	138,335	127,720
Basic net income per share	\$ 0.10	\$ 0.56	\$ 0.38	\$ 0.56
Diluted net income per share	\$ 0.09	\$ 0.12	\$ 0.24	\$ 0.06

(1) The Company's preferred stock are considered participating securities. Computation of EPS under the two-class method excludes from the numerator any dividends paid or owed on participating securities and any undistributed earnings considered to be attributable to participating securities. The related participating securities are similarly excluded from the denominator.

(2) For the six months ended June 30, 2022, and the three and six months ended June 30, 2021, 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 computing diluted net income per share. For the three and six months ended June 30, 2021, the impact to earnings from the change in fair value of the Company's contingent consideration common shares liability is excluded from the numerator, and the corresponding security is considered for inclusion in the denominator, for purposes of computing diluted net income per share. These adjustments are included as the effect of the numerator and denominator adjustments for these derivative instruments is dilutive as a result of the non-cash gains recorded for the change in fair value of these instruments during the periods.

Note> There are 1,000,000 shares relating to contingent consideration common shares that were not included in the diluted net income per share computation for the three and six months ended June 30, 2022 as the corresponding average stock price hurdle for issuing these contingently issuable shares would not have been met as of the June 30, 2022 reporting date. The measurement date is December 31, 2022 for these shares and they will be issued at such time if they are earned.