



Financial Supplement

Q2 2023

Disclaimer

This presentation contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management's current views concerning future business, events, trends, contingencies, financial performance, or financial condition, appear at various places in this communication and may use words like "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "future," "goal," "intend," "likely," "may," "might," "plan," "potential," "predict," "project," "see," "seek," "should," "strategy," "strive," "target," "will," and "would" and similar expressions, and variations or negatives of these words. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management's current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are difficult to predict and many of which are outside of our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include those factors discussed under the caption "Risk Factors" in our 2022 Annual Report on Form 10-K, along with our other filings with the U.S. Securities and Exchange Commission ("SEC"). However, those factors should not be considered to be a complete statement of all potential risks and uncertainties. Additional risks and uncertainties not known to us or that we currently deem immaterial may also impair our business operations. Forward-looking statements are based only on information currently available to our management and speak only as of the date of this communication. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Please consult our public filings with the SEC or on our website at www.adapthealth.com.

Non-GAAP Financial Measures

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 ("GAAP"), including the measures EBITDA, Adjusted EBITDA, and Free Cash Flow. A reconciliation of these non-GAAP financial measures to the nearest GAAP measure can be found in the Appendix to this presentation. Any non-GAAP financial measure used in this presentation are in addition to, and not meant to be considered superior to, or a substitute for, the Company's financial statements prepared in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expense and income items that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income items are excluded or included in determining these non-GAAP financial measures. The non-GAAP measures presented herein may not be comparable to similar non-GAAP measures presented by other companies.

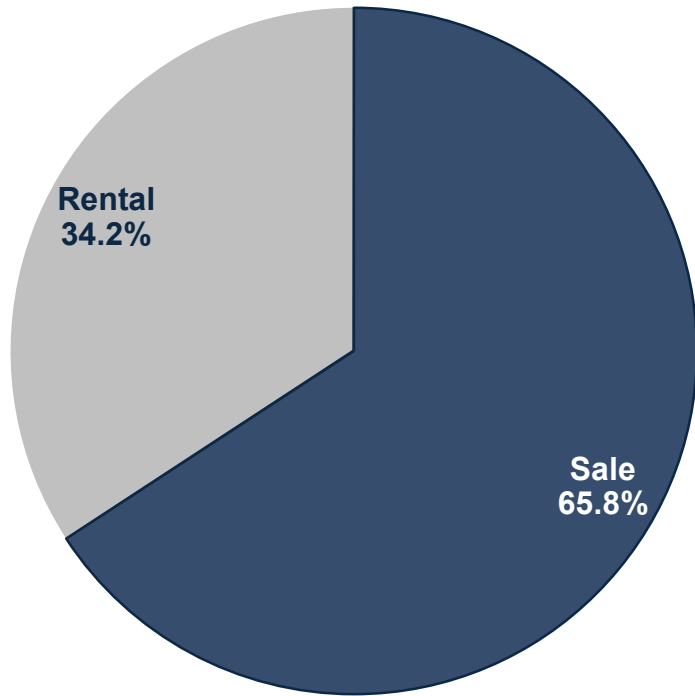
Summary Financial Results

(in thousands)

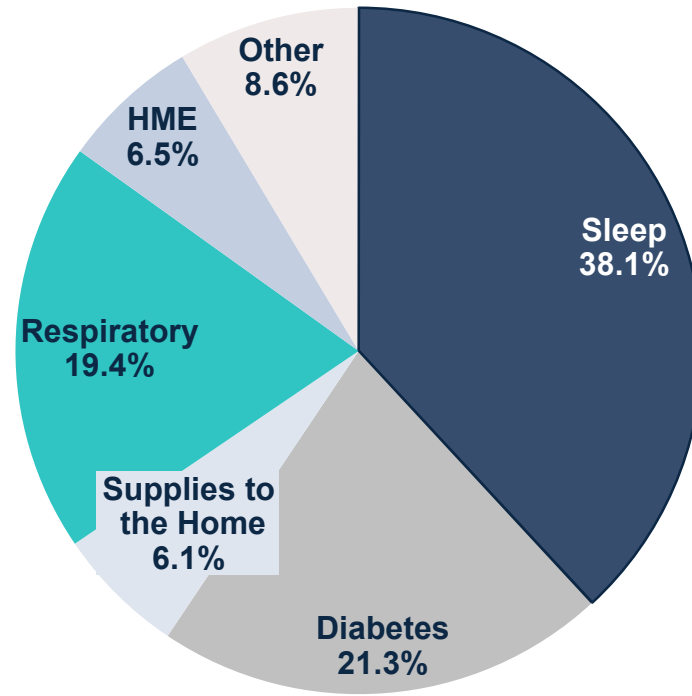
	Three Months Ended				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Sales revenue	\$ 521,633	\$ 492,255	\$ 534,548	\$ 512,523	\$ 492,654
Rental revenue	\$ 271,653	\$ 252,371	\$ 245,735	\$ 243,972	\$ 234,960
Total net revenue	\$ 793,286	\$ 744,626	\$ 780,283	\$ 756,495	\$ 727,614
Operating income	\$ 54,262	\$ 26,177	\$ 26,732	\$ 52,949	\$ 59,178
Net income (loss) attributable to AdaptHealth Corp. ⁽¹⁾	\$ 13,977	\$ 15,707	\$ (2,588)	\$ 16,122	\$ 14,032
Adjusted EBITDA	\$ 171,045	\$ 133,964	\$ 145,956	\$ 160,163	\$ 150,007
Adjusted EBITDA as a percentage of net revenue	21.6%	18.0%	18.7%	21.2%	20.6%

(1) 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 warrant liability. Changes in such liability is marked to market and recorded in earnings.

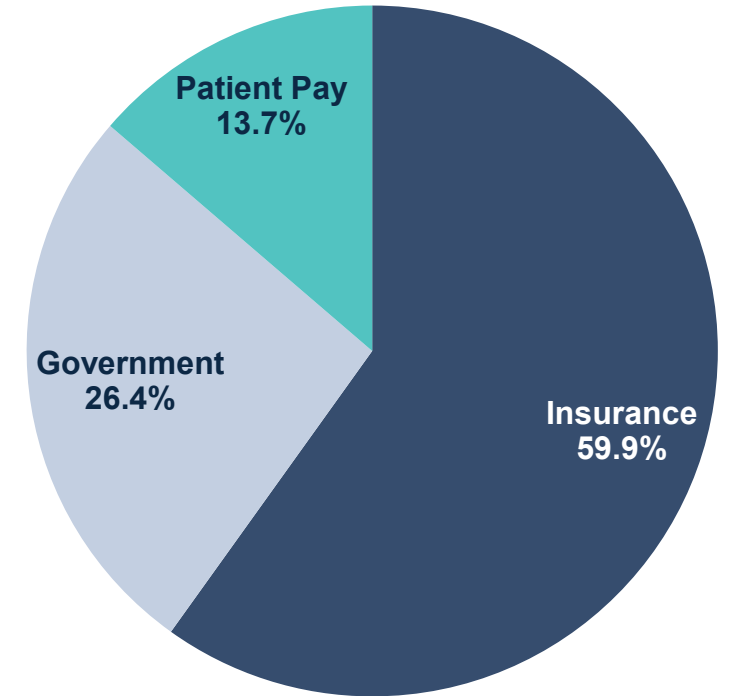
Q2 2023 Business Mix Summary



Sale Type



Product



Payor

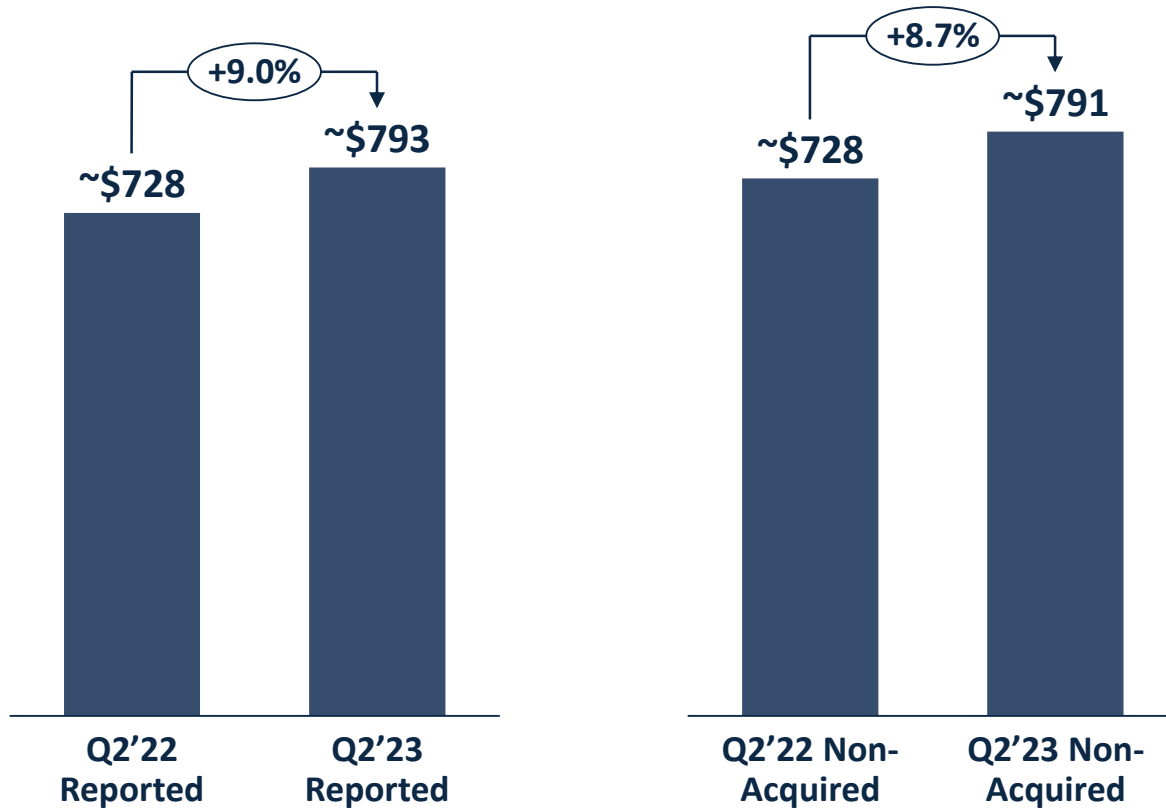
Revenue by Product

(in thousands)	Three Months Ended				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net sales revenue					
Sleep	\$ 215,849	\$ 213,457	\$ 208,787	\$ 198,206	\$ 194,693
Diabetes	165,021	142,544	188,295	169,075	162,259
Supplies to the home	48,323	46,555	47,787	47,793	43,881
Respiratory	8,191	7,929	8,572	9,734	7,891
HME	27,237	28,563	28,714	29,463	30,313
Other	57,012	53,207	52,393	58,252	53,617
Total net sales revenue	<u>\$ 521,633</u>	<u>\$ 492,255</u>	<u>\$ 534,548</u>	<u>\$ 512,523</u>	<u>\$ 492,654</u>
% of total net revenue	65.8%	66.1%	68.5%	67.7%	67.7%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 86,783	\$ 80,923	\$ 76,683	\$ 72,423	\$ 65,661
Diabetes	3,886	3,831	3,912	4,211	4,034
Respiratory	145,889	134,723	128,634	130,618	128,865
HME	23,974	22,341	25,502	25,482	25,547
Other	11,121	10,553	11,004	11,238	10,853
Total net revenue from fixed monthly equipment reimbursements	<u>\$ 271,653</u>	<u>\$ 252,371</u>	<u>\$ 245,735</u>	<u>\$ 243,972</u>	<u>\$ 234,960</u>
% of total net revenue	34.2%	33.9%	31.5%	32.3%	32.3%
Total net revenue					
Sleep	\$ 302,632	\$ 294,380	\$ 285,470	\$ 270,629	\$ 260,354
Diabetes	168,907	146,375	192,207	173,286	166,293
Supplies to the home	48,323	46,555	47,787	47,793	43,881
Respiratory	154,080	142,652	137,206	140,352	136,756
HME	51,211	50,904	54,216	54,945	55,860
Other	68,133	63,760	63,397	69,490	64,470
Total net revenue	<u>\$ 793,286</u>	<u>\$ 744,626</u>	<u>\$ 780,283</u>	<u>\$ 756,495</u>	<u>\$ 727,614</u>

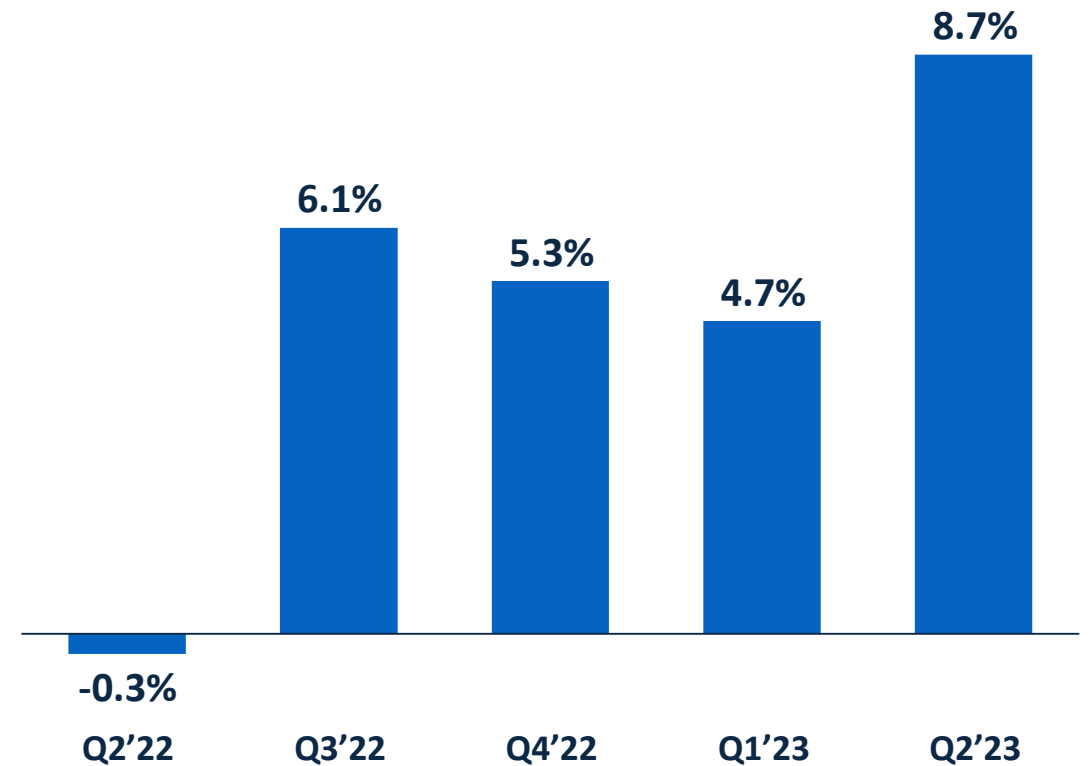
Net Revenue Growth

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 month of acquisition

Appendix

Non-GAAP Reconciliation

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income attributable to AdaptHealth Corp.	\$ 13,977	\$ 14,032	\$ 29,684	\$ 55,782
Income attributable to noncontrolling interests	1,064	1,215	2,032	1,695
Interest expense, net	32,552	25,608	64,507	50,384
Income tax expense	5,399	8,853	3,685	14,456
Depreciation and amortization, including patient equipment depreciation	99,296	79,474	193,109	156,504
EBITDA	152,288	129,182	293,017	278,821
Equity-based compensation expense (a)	6,847	5,720	12,763	11,222
Transaction costs (b)	92	2,205	284	5,313
Change in fair value of warrant liability (c)	(812)	8,208	(22,726)	(18,509)
Other non-recurring expense, net (d)	12,630	4,692	21,671	10,804
Adjusted EBITDA	\$ 171,045	\$ 150,007	\$ 305,009	\$ 287,651
Net income attributable to AdaptHealth Corp. as a percentage of net revenue	1.8%	1.9%	1.9%	3.9%
Adjusted EBITDA as a percentage of net revenue	21.6%	20.6%	19.8%	20.1%

(a) Represents equity-based compensation expense for awards granted to employees and non-employee directors.

(b) Represents transaction costs and expenses related to integration efforts related to acquisitions.

(c) Represents a non-cash gain for the change in the estimated fair value of the warrant liability.

(d) The 2023 year-to-date period consists of \$9.6 million of expenses associated with litigation, \$4.9 million of severance charges (of which \$2.9 million relates to the separation of the Company's former CEO), \$2.6 million of consulting expenses associated with systems implementation activities, \$1.4 million of impairments of operating lease right-of-use assets, and \$3.2 million of other non-recurring expenses. The 2022 year-to-date period consists of a \$4.5 million expense related to changes in the Company's estimated liability related to its Tax Receivable Agreement, \$3.6 million of expenses associated with litigation, a \$0.8 million loss related to the write-off of an investment, \$0.6 million of lease termination costs, and \$1.3 million of net other non-recurring expenses.

Free Cash Flow

(in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net cash provided by operating activities	\$ 86,319	\$ 103,473	\$ 226,567	\$ 169,924
Purchases of equipment and other fixed assets	(82,610)	(77,174)	(171,730)	(154,340)
Free cash flow	\$ 3,709	\$ 26,299	\$ 54,837	\$ 15,584

Free cash flow was \$3.7 million for the three months ended June 30, 2023 compared to \$26.3 million for the three months ended June 30, 2022. The decrease in free cash flow was primarily due to lower net cash provided by operating activities due to a net increase in the use of cash from operating assets and liabilities, primarily from accounts receivable, inventory and accounts payable and accrued expenses, an increase in cash paid for interest, and an increase in, and timing of, purchases of patient medical equipment for operating requirements.

Free cash flow was \$54.8 million for the six months ended June 30, 2023 compared to \$15.6 million for the six months ended June 30, 2022. The increase in free cash flow was primarily due to higher net cash provided by operating activities due to a net decrease in the use of cash from operating assets and liabilities, primarily from accounts receivable, inventory and accounts payable and accrued expenses, offset by an increase in cash paid for interest, and an increase in, and timing of, purchases of patient medical equipment for operating requirements.

Share Count Information

(in thousands)	Common Stock	Preferred Stock ⁽¹⁾	Total Common and Preferred Stock if Converted
Number of shares outstanding, March 31, 2023	134,148	124	146,554
Equity-based compensation activity	156	-	156
Exercise of stock options	214	-	214
Number of shares outstanding, June 30, 2023	134,518	124	146,924

(in thousands)	Warrants ⁽²⁾	Stock Options ⁽³⁾	Unvested Restricted Stock
Number of securities outstanding, March 31, 2023	3,871	4,962	2,261
Exercise of stock options	-	(559)	-
Grants of restricted stock	-	-	951
Vesting of restricted stock	-	-	(665)
Forfeitures of restricted stock	-	-	(303)
Number of securities outstanding, June 30, 2023	3,871	4,403	2,244

(1) Shares of Series B-1 Preferred Stock convert to shares of 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, 2023 have a weighted-average exercise price of \$13.18 per share

Note: The above tables represent the outstanding securities as of June 30, 2023. 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

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator				
Net income attributable to AdaptHealth Corp.	\$ 13,977	\$ 14,032	\$ 29,684	\$ 55,782
Less: Earnings allocated to participating securities ⁽¹⁾	1,182	1,186	2,508	4,721
Net income for basic EPS	\$ 12,795	\$ 12,846	\$ 27,176	\$ 51,061
Change in fair value of warrant liability ⁽²⁾	—	—	(22,726)	(18,509)
Net income for diluted EPS	\$ 12,795	\$ 12,846	\$ 4,450	\$ 32,552
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	134,295	134,332	134,409	134,178
Add: Warrants ⁽²⁾	—	—	857	1,313
Add: Stock options	833	2,472	1,552	2,597
Add: Unvested restricted stock	1,105	211	1,182	247
Diluted weighted-average common shares outstanding	136,233	137,015	138,000	138,335
Basic net income per share	\$ 0.10	\$ 0.10	\$ 0.20	\$ 0.38
Diluted net income per share	\$ 0.09	\$ 0.09	\$ 0.03	\$ 0.24

(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, 2023 and 2022, 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. 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. For the three months ended June 30, 2023, these adjustments are excluded from the computation of diluted net income per share under the treasury stock method since the warrants were out-of-the money in that period.