



Financial Supplement

Q3 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 and Adjusted EBITDA. 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

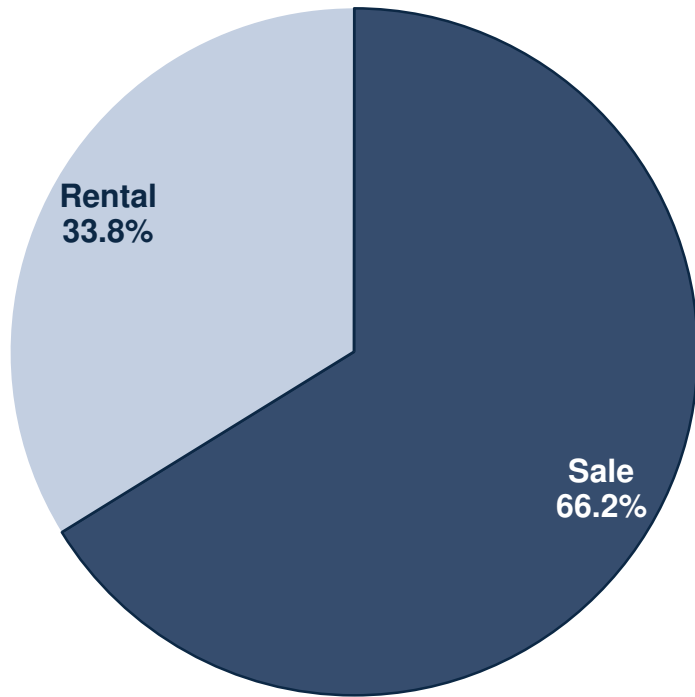
(in thousands)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Sales revenue	\$ 532,125	\$ 521,633	\$ 492,255	\$ 534,548	\$ 512,523
Rental revenue	\$ 271,906	\$ 271,653	\$ 252,371	\$ 245,735	\$ 243,972
Total net revenue	\$ 804,031	\$ 793,286	\$ 744,626	\$ 780,283	\$ 756,495
Operating (loss) income ⁽¹⁾	\$ (461,036)	\$ 54,262	\$ 26,177	\$ 26,732	\$ 52,949
Net (loss) income attributable to AdaptHealth Corp. ⁽²⁾	\$ (454,076)	\$ 13,977	\$ 15,707	\$ (2,588)	\$ 16,122
Adjusted EBITDA	\$ 161,167	\$ 171,045	\$ 133,964	\$ 145,956	\$ 160,163
Adjusted EBITDA as a percentage of net revenue	20.0%	21.6%	18.0%	18.7%	21.2%

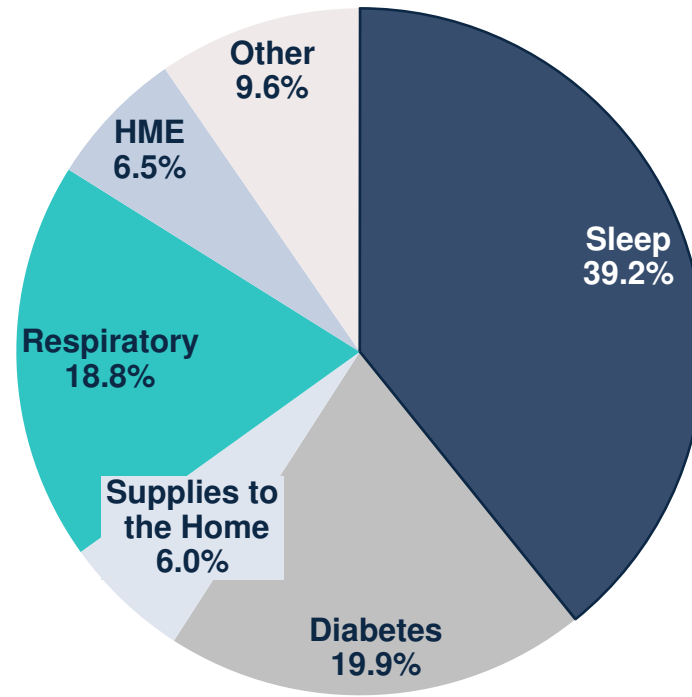
(1) Operating loss for the three months ended September 30, 2023 includes a non-cash goodwill impairment charge of \$511,866.

(2) Net (loss) 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. Changes in such liability is marked to market and recorded in earnings.

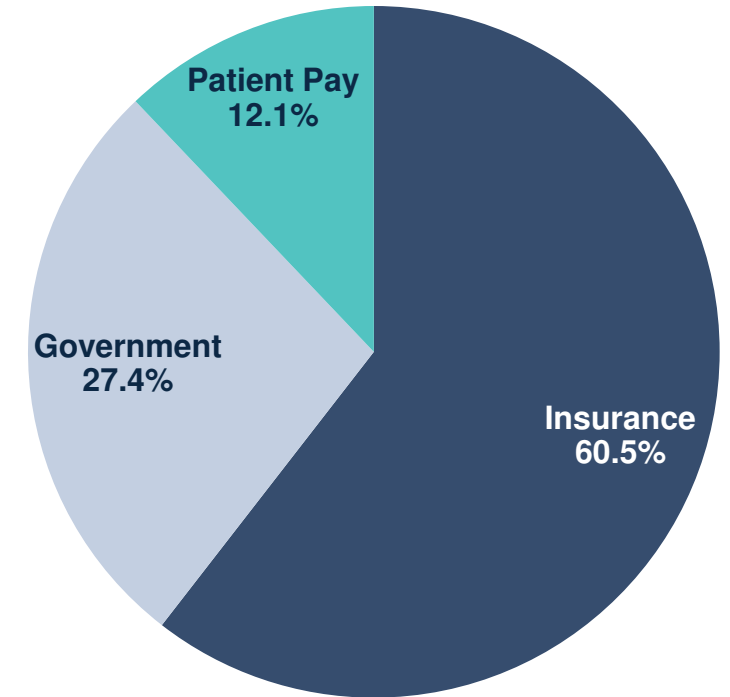
Q3 2023 Business Mix Summary



Sale Type



Product



Payor

Revenue by Product

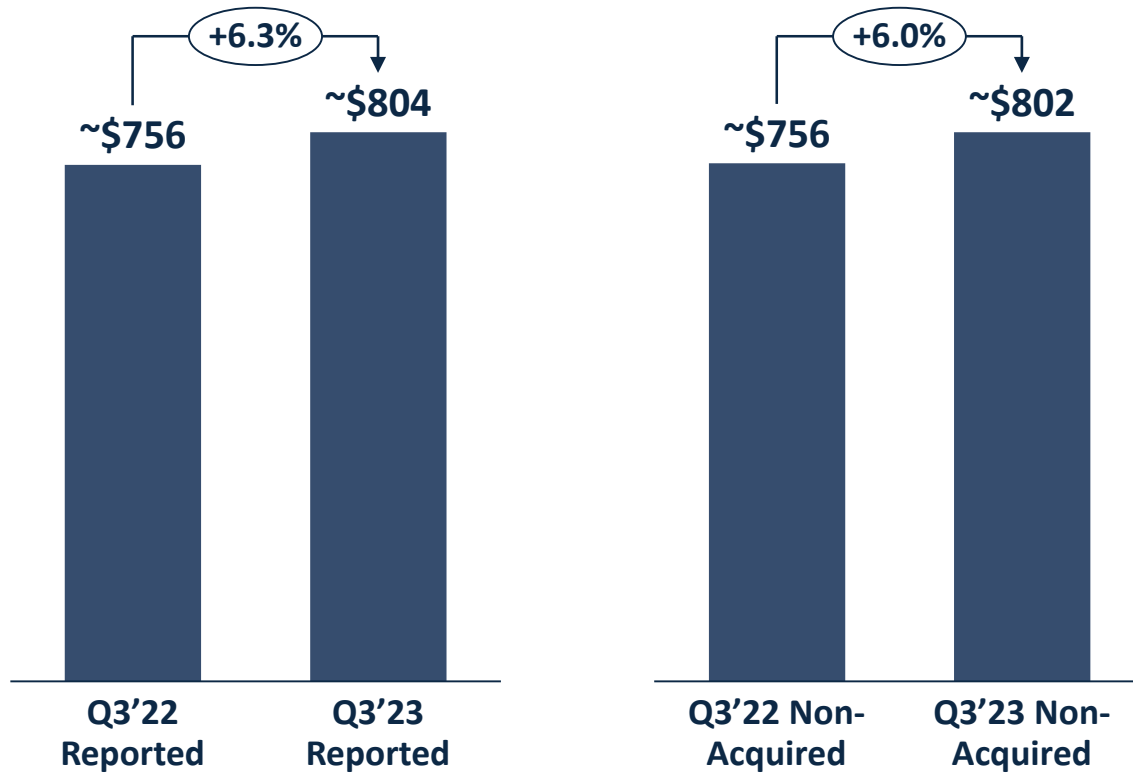
(in thousands)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net sales revenue					
Sleep	\$ 227,005	\$ 215,849	\$ 213,457	\$ 208,787	\$ 198,206
Diabetes	157,328	165,021	142,544	188,295	169,075
Supplies to the home	48,349	48,323	46,555	47,787	47,793
Respiratory	8,164	8,191	7,929	8,572	9,734
HME	27,095	27,237	28,563	28,714	29,463
Other	64,184	57,012	53,207	52,393	58,252
Total net sales revenue	<u>\$ 532,125</u>	<u>\$ 521,633</u>	<u>\$ 492,255</u>	<u>\$ 534,548</u>	<u>\$ 512,523</u>
% of total net revenue	66.2%	65.8%	66.1%	68.5%	67.7%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 88,387	\$ 86,783	\$ 80,923	\$ 76,683	\$ 72,423
Diabetes	2,609	3,886	3,831	3,912	4,211
Respiratory	142,919	145,889	134,723	128,634	130,618
HME	25,087	23,974	22,341	25,502	25,482
Other	12,904	11,121	10,553	11,004	11,238
Total net revenue from fixed monthly equipment reimbursements	<u>\$ 271,906</u>	<u>\$ 271,653</u>	<u>\$ 252,371</u>	<u>\$ 245,735</u>	<u>\$ 243,972</u>
% of total net revenue	33.8%	34.2%	33.9%	31.5%	32.3%
Total net revenue					
Sleep	\$ 315,392	\$ 302,632	\$ 294,380	\$ 285,470	\$ 270,629
Diabetes	159,937	168,907	146,375	192,207	173,286
Supplies to the home	48,349	48,323	46,555	47,787	47,793
Respiratory	151,083	154,080	142,652	137,206	140,352
HME	52,182	51,211	50,904	54,216	54,945
Other	77,088	68,133	63,760	63,397	69,490
Total net revenue	<u>\$ 804,031</u>	<u>\$ 793,286</u>	<u>\$ 744,626</u>	<u>\$ 780,283</u>	<u>\$ 756,495</u>

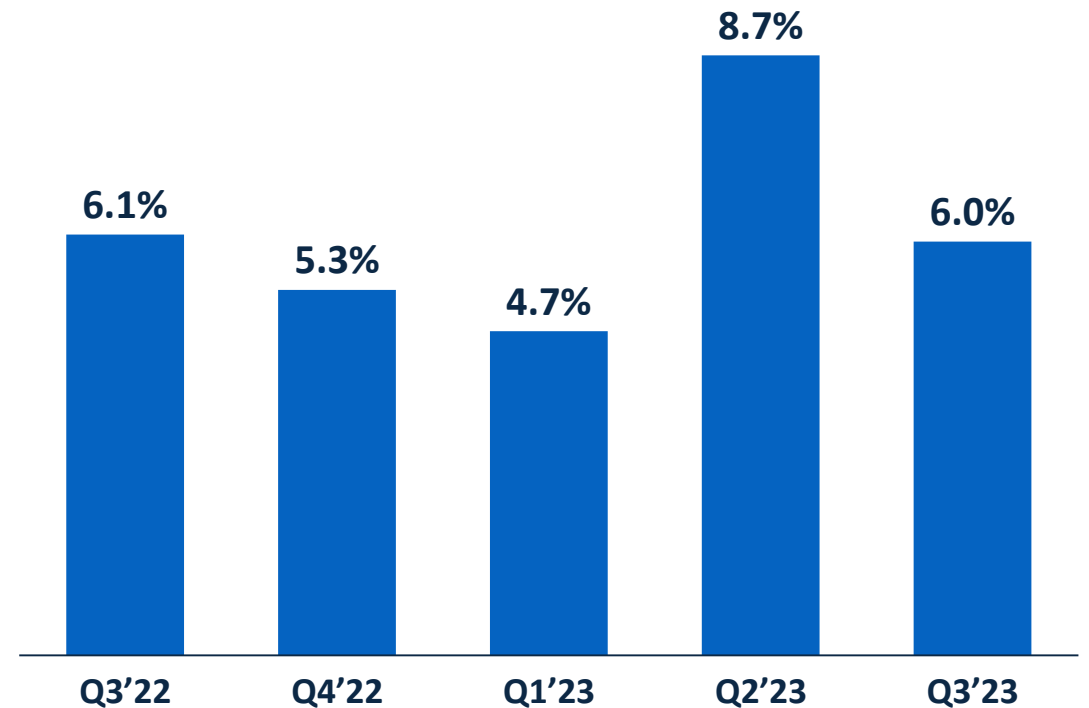
Net Revenue Growth

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		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net (loss) income attributable to AdaptHealth Corp.	\$ (454,076)	\$ 16,122	\$ (424,392)	\$ 71,904
Income attributable to noncontrolling interests	1,155	1,105	3,187	2,800
Interest expense, net	32,306	28,521	96,813	78,905
Income tax (benefit) expense	(34,578)	5,580	(30,893)	20,036
Depreciation and amortization, including patient equipment depreciation	97,310	92,331	290,419	248,835
EBITDA	(357,883)	143,659	(64,866)	422,480
Equity-based compensation expense (a)	4,521	5,562	17,284	16,784
Transaction costs (b)	337	519	621	5,832
Change in fair value of warrant liability (c)	(9,160)	1,364	(31,886)	(17,145)
Goodwill impairment (d)	511,866	-	511,866	-
Other non-recurring expenses, net (e)	11,486	9,059	33,157	19,863
Adjusted EBITDA	\$ 161,167	\$ 160,163	\$ 466,176	\$ 447,814
Net (loss) income attributable to AdaptHealth Corp. as a percentage of net revenue	(56.5)%	2.1%	(18.1)%	3.3%
Adjusted EBITDA as a percentage of net revenue	20.0%	21.2%	19.9%	20.4%

(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 charge or gain for the change in the estimated fair value of the warrant liability.

(d) Represents a non-cash goodwill impairment charge as a result of the fair value of AdaptHealth's reporting unit being less than its carrying value.

(e) The 2023 year-to-date period consists of \$12.5 million of expenses associated with litigation, \$6.3 million of severance charges (of which \$2.9 million relates to the separation of the Company's former CEO), \$4.1 million of lease termination costs associated with a cost management program, \$3.9 million of consulting expenses associated with systems implementation activities, \$0.9 million of net impairments of operating lease right-of-use assets, and \$5.5 million of other non-recurring expenses. The 2022 year-to-date period consists of a \$9.0 million of consulting expenses associated with systems implementation activities and post-implementation support services, a \$4.5 million expense related to changes in AdaptHealth's estimated liability related to its Tax Receivable Agreement, \$3.8 million of expenses associated with litigation, claims and settlements, \$0.7 million of lease termination costs, a \$0.8 million loss related to the write-off of an investment, and \$1.1 million of net other non-recurring expenses.

Free Cash Flow

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net cash provided by operating activities	\$ 98,833	\$ 107,023	\$ 325,400	\$ 276,947
Purchases of equipment and other fixed assets	(77,086)	(94,171)	(248,816)	(248,511)
Free cash flow	\$ 21,747	\$ 12,852	\$ 76,584	\$ 28,436

Free cash flow was \$21.7 million for the three months ended September 30, 2023 compared to \$12.9 million for the three months ended September 30, 2022. The increase in free cash flow was primarily due to a decrease in, and timing of, purchases of patient medical equipment for operating requirements, offset by lower net cash provided by operating activities, primarily relating to an increase in cash paid for interest in the 2023 period compared to the 2022 period.

Free cash flow was \$76.6 million for the nine months ended September 30, 2023 compared to \$28.4 million for the nine months ended September 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 in the 2023 period compared to the 2022 period.

Share Count Information

(in thousands)	Common Stock	Preferred Stock ⁽¹⁾	Total Common and Preferred Stock if Converted
Number of shares outstanding, June 30, 2023	134,518	124	146,924
Equity-based compensation activity	176	-	176
Exercise of stock options	215	-	215
Employee stock purchase plan activity	82	-	82
Number of shares outstanding, September 30, 2023	134,991	124	147,397

(in thousands)	Warrants ⁽²⁾	Stock Options ⁽³⁾	Unvested Restricted Stock
Number of securities outstanding, June 30, 2023	3,871	4,403	2,244
Exercise of stock options	-	(983)	-
Grants of restricted stock	-	-	159
Vesting of restricted stock	-	-	(143)
Forfeitures of restricted stock	-	-	(121)
Number of securities outstanding, September 30, 2023	3,871	3,420	2,139

(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 September 30, 2023 have a weighted-average exercise price of \$14.86 per share

Note: The above tables represent the outstanding securities as of September 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator				
Net (loss) income attributable to AdaptHealth Corp.	\$ (454,076)	\$ 16,122	\$ (424,392)	\$ 71,904
Less: Earnings allocated to participating securities ⁽¹⁾	—	1,360	—	6,079
Net (loss) income for basic EPS	\$ (454,076)	\$ 14,762	\$ (424,392)	\$ 65,825
Change in fair value of warrant liability ⁽²⁾	(9,160)	—	(31,886)	(17,145)
Net (loss) income for diluted EPS	\$ (463,236)	\$ 14,762	\$ (456,278)	\$ 48,680
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	134,825	134,224	134,549	134,186
Add: Warrants ⁽²⁾	157	—	653	1,436
Add: Stock options	—	2,903	—	2,669
Add: Unvested restricted stock	—	453	—	308
Diluted weighted-average common shares outstanding	134,982	137,580	135,202	138,599
Basic net (loss) income per share	\$ (3.37)	\$ 0.11	\$ (3.15)	\$ 0.49
Diluted net (loss) income per share	\$ (3.43)	\$ 0.11	\$ (3.37)	\$ 0.35

(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. There was no amount allocated to the participating securities during the three and nine months ended September 30, 2023 due to the net loss reported in those periods.

(2) For the nine months ended September 30, 2023 and 2022, and the three months ended September 30, 2023, 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 (loss) income per share. This adjustment is included as the effect of the numerator and denominator adjustment for this derivative instrument is dilutive as a result of the non-cash gains recorded for the change in fair value of this instrument during the periods. For the three months ended September 30, 2022, this adjustment is excluded from the computation of diluted net (loss) income per share under the treasury stock method since its inclusion would have been anti-dilutive.