



JANUARY 2024



# AdaptHealth Corp.



INVESTOR PRESENTATION



 **adapthealth**

# Safe Harbor Statement

## Forward-Looking Statements

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 2021 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](http://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, free cash flow, and non-acquired revenue. A reconciliation of certain of these non-GAAP financial measures to the nearest GAAP measure can be found in the Appendix to this presentation. Any non-GAAP financial measures 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.

OUR STRATEGIC AMBITIONS ARE  
GUIDED BY OUR VISION

Be the leading **provider  
of equipment +  
services that empower  
healthcare at home**  
through best-in-class  
care + superior technology

Improve  
patient lives  
+  
Reduce overall  
cost of care

STRONG FOUNDATION

# Market leading provider of sleep, diabetes + respiratory solutions—an integrated, patient-centric, tech-enabled model

**\$3.17B**

2023 net revenue est.<sup>1</sup>

UNMATCHED  
SCALE + IMPACT

**4 million** patient census

**~690** locations

**38,000+** home deliveries each day

**2,700+** insurance contracts

**~10,700** employees

DIFFERENTIATED  
CAPABILITIES



TECHNOLOGY

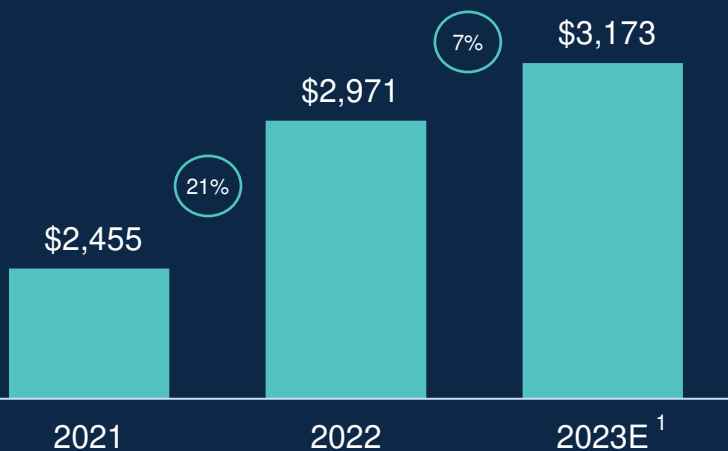
PATIENT ADVOCATES

COMPLIANCE

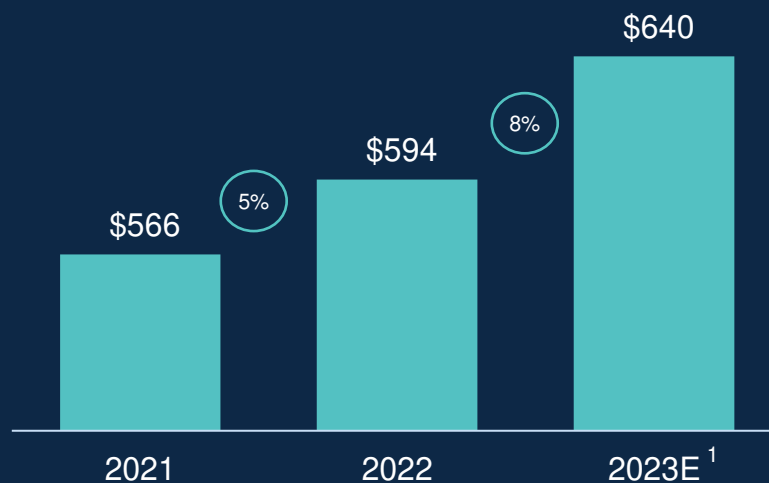
RCM

# Financial Trends

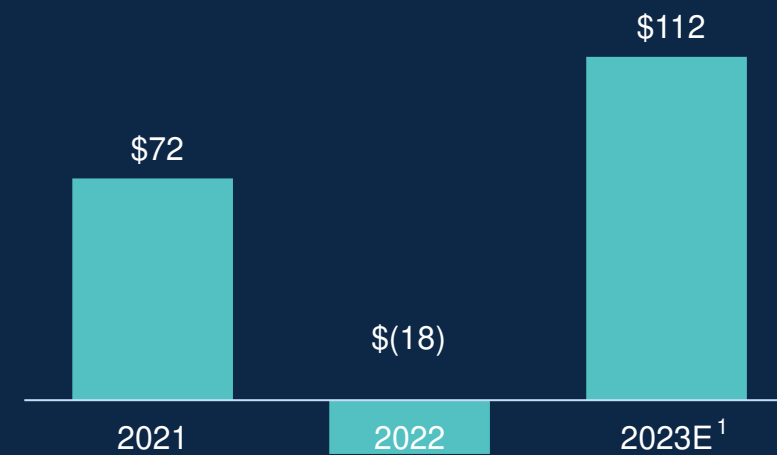
## NET REVENUE (\$mm)



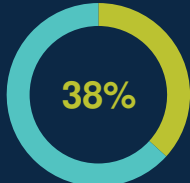
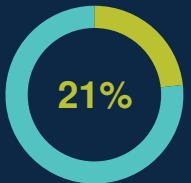
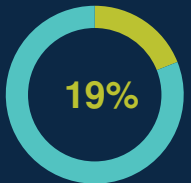
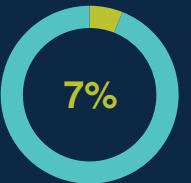
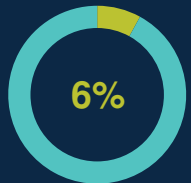
## ADJ. EBITDA (\$mm)



## FREE CASH FLOW (\$mm)



# Our comprehensive solutions address a range of chronic diseases

	SLEEP	DIABETES	RESPIRATORY	HME	SUPPLIES
<b>PATIENT DISEASES TREATED</b>	Obstructive Sleep Apnea (OSA)	Diabetes	COPD Chronic Respiratory Failure	CHF Various	Multiple Diseases
<b>OUR SOLUTIONS</b>	CPAP machines BiPAP therapy machines PAP resupply	Continuous Glucose Monitors Insulin Pumps Supplies	Oxygen therapy Devices Non-invasive ventilation (NIV)	Hospital beds Commodes General equipment	Incontinence, Wound care, Ostomy, Urological, Enteral, IV Therapy
<b>% TOTAL PORTFOLIO*</b>	 38%	 21%	 19%	 7%	 6%

# Sleep at-a-glance

**\$1.2B**

NET REVENUE  
Q3 '23 LTM

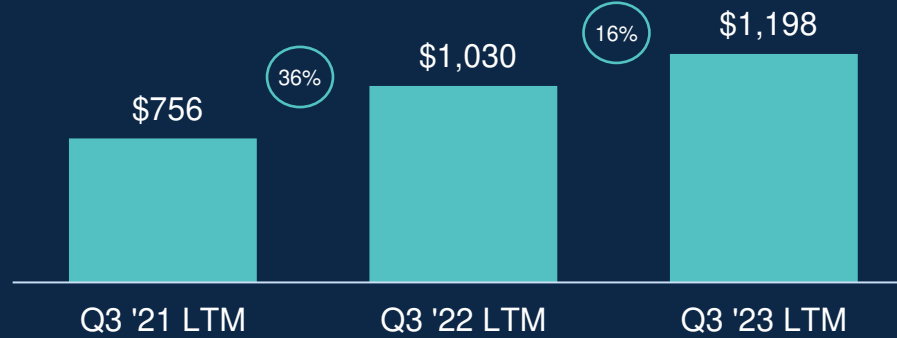
**~390K**

RENTAL PATIENT CENSUS  
as of Sept 30, 2023

**~ 1.5MM**

SUPPLY PATIENTS  
as of Sept 30, 2023

## LTM NET REVENUE (\$mm)



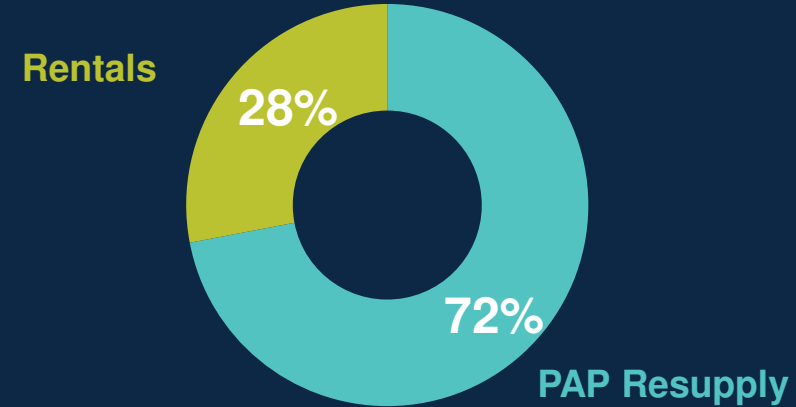
## RENTAL CENSUS ('000)



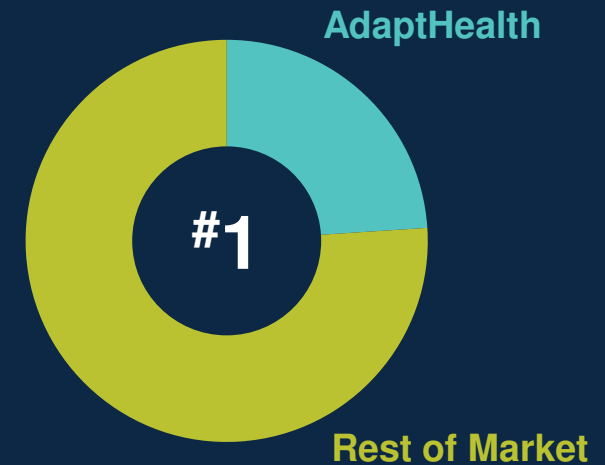
## RESUPPLY CENSUS ('000)



## PRODUCT OFFERINGS



## MARKET SHARE<sup>1</sup>



# Diabetes at-a-glance

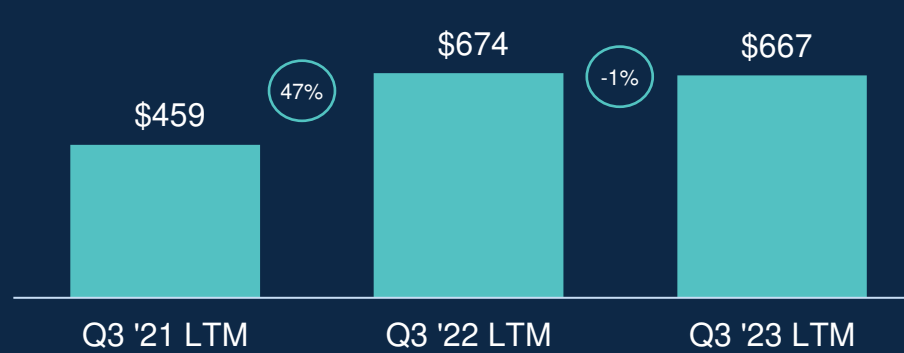
## \$667MM

NET REVENUE  
Q3 '23 LTM

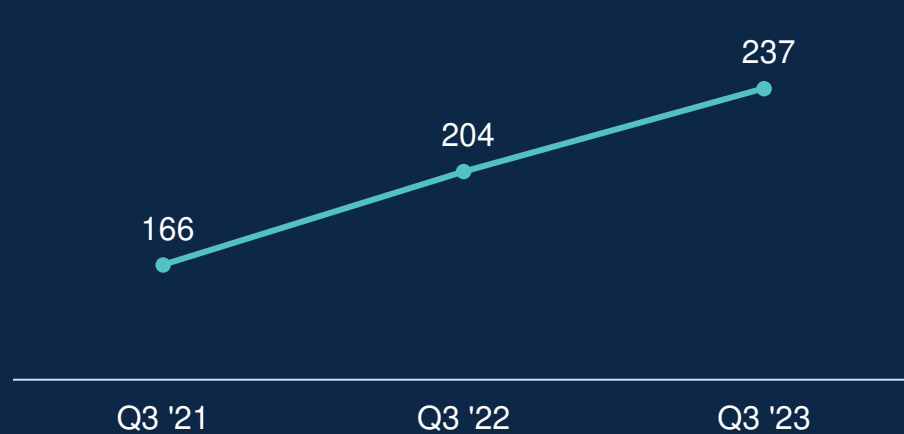
## ~237K

PATIENT COUNT  
serviced in Q3 '23 LTM

### LTM NET REVENUE (\$mm)

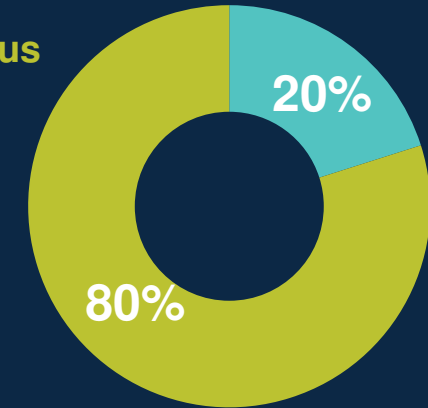


### LTM PATIENT COUNT ('000)



## PRODUCT OFFERINGS

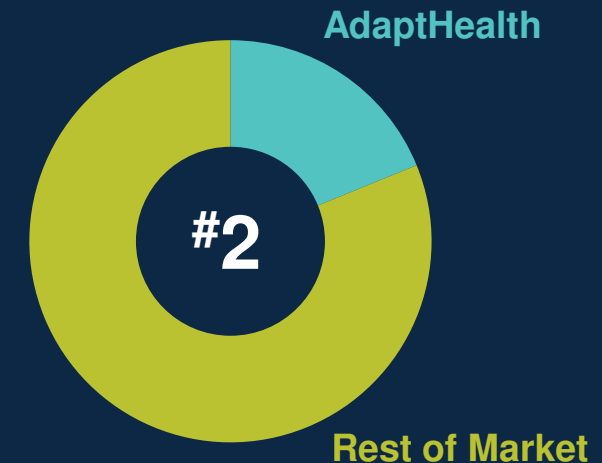
Continuous  
Glucose  
Monitors  
(CGM)



Other

insulin pumps,  
glucose meters,  
test strips,  
syringes, and  
other supplies

## MARKET SHARE<sup>1</sup>





# Respiratory at-a-glance

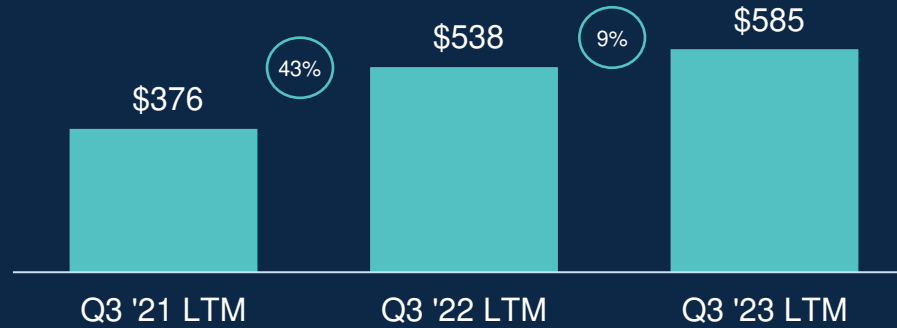
## \$585MM

NET REVENUE  
Q3 '23 LTM

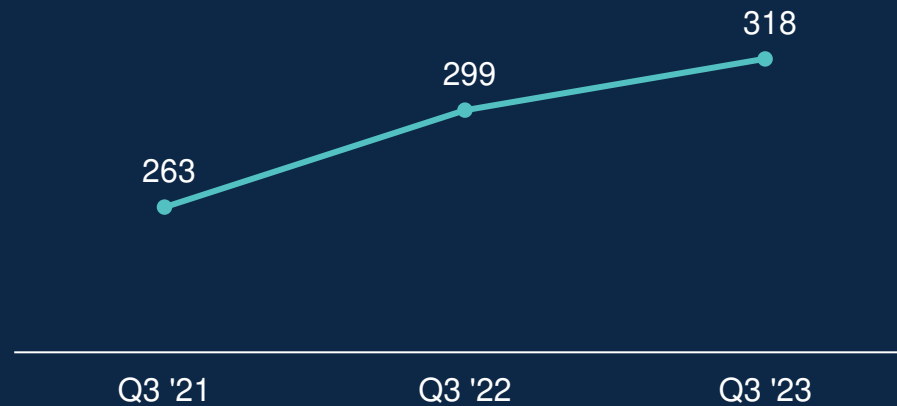
## ~318K

PATIENTS ON O2 &  
VENT THERAPY CENSUS  
as of Sept 30, 2023

### LTM NET REVENUE (\$mm)



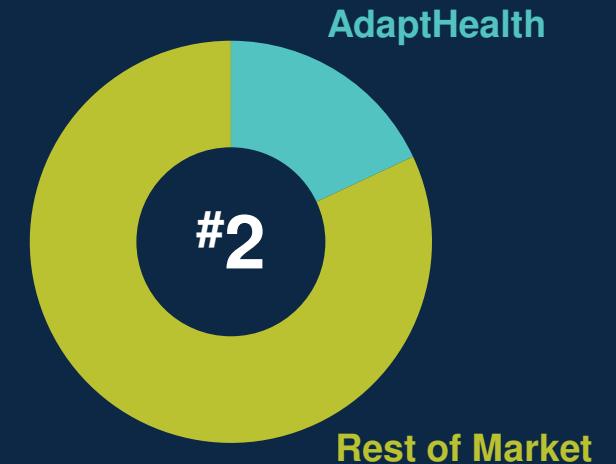
### RENTAL CENSUS ('000)



### PRODUCT OFFERINGS

- + Oxygen Therapy
- + Ventilation
- + Nebulizers & Nebulized Medications

### MARKET SHARE<sup>1</sup>



# Addressing the Increasing Usage of GLP-1s

- + We have experienced no slowdown in CPAP setups
- + Our resupply census is continuing to grow, with no increase in attrition
- + GLP-1s are already present in our population – in our most recent survey of 100k patients, 17% confirmed they've been prescribed a GLP-1
- + A recent survey<sup>1</sup> suggests only 3% of US OSA patients on weight loss drugs no longer require CPAP therapy

# Positioning AdaptHealth for Future Growth Opportunities

## TODAY

### Leading the market

- + Top 2 market share across key product categories<sup>1</sup>
- + A leader in electronic ordering
- + A leader in patient engagement

## FUTURE

### Pioneering the shift to connected health solutions

- + Integrated, condition specific product suites
- + Real time, actionable data to drive cost and outcome improvement
- + Value-add partner to payors, providers and patients
- + Move from fee for service to fee for value

## EARLY INNINGS

significant opportunity ahead

# Key Executive Hires

**Briah Carey**  
President, Diabetes



**Start Date:** January 2024

**Most Recent Role:** Group Vice President, Value Based Care, DaVita (2021-current)

**Other Experience:**

Multiple leadership roles for 13 years at DaVita including DVP, Integrated Care, Commercial (2016 – 2021)

Citigroup, United States Army

**Education:**

MBA, Harvard Business School

B.S. System Engineering, United States Military Academy

**Brett Cohen**  
SVP, Value Based Care



**Start Date:** November 2023

**Most Recent Role:** COO, Ascensus (2021-2023)

**Other Experience:**

Multiple leadership roles for 13 years at DaVita including DVP, Value Based Care (2016 – 2021)

Bain & Company

**Education:**

MBA, The Wharton School University of Pennsylvania

B.S.E. Chemical Engineering, University of Pennsylvania

**Jonathan Bush**  
General Counsel



**Start Date:** November 2023

**Most Recent Role:** SVP, General Counsel & Secretary of Modivcare (MODV) (2019 – 2023)

**Other Experience:**

VP, Corporate Development & Deputy General Counsel of Option Care Health (2018 – 2019)

Dechert LLP, Schulte Roth & Zabel LLP, Goldman Sachs & Co., and Cravath, Swaine & Moore LLP

**Education:**

J.D. University of Texas School of Law

A.B. Economics, Harvard University

# Key Takeaways

- + 2023 guidance reflects revenue growth of 7%, Adjusted EBITDA growth of 8%, and a \$130mm increase in Free Cash Flow over 2022
- + Value-based care contract with Humana creates future opportunities
- + Developing GLP1 strategy
- + Enhancing executive team with several key hires

# Appendix

# Adjusted EBITDA Reconciliation

This presentation discusses AdaptHealth's EBITDA and Adjusted EBITDA for prior periods. AdaptHealth defines EBITDA as net income attributable to AdaptHealth Corp., plus net income attributable to noncontrolling interests, interest expense, net, income tax expense, and depreciation and amortization, including patient equipment depreciation. 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 warrant liability, change in fair value of contingent consideration common shares liability, and other non-recurring items of expense or income.

The following unaudited table presents the reconciliation of net income attributable to AdaptHealth Corp. to EBITDA and Adjusted EBITDA for the years ended December 31, 2022 and 2021 (in thousands):

	Year Ended December 31,	
	2022	2021
Net income attributable to AdaptHealth Corp.	\$ 69,316	\$ 156,175
Income attributable to noncontrolling interests	3,817	1,978
Interest expense, net	109,414	95,195
Income tax expense	24,769	32,806
Depreciation and amortization, including patient equipment depreciation	351,178	258,053
<b>EBITDA</b>	<b>558,494</b>	<b>544,207</b>
Loss on extinguishment of debt (a)	—	20,189
Equity-based compensation expense (b)	22,397	25,323
Transaction costs (c)	6,003	49,081
Change in fair value of warrant liability (d)	(17,158)	(53,181)
Change in fair value of contingent consideration common shares liability (e)	—	(29,389)
Other non-recurring expense, net (f)	24,034	9,688
<b>Adjusted EBITDA</b>	<b>\$ 593,770</b>	<b>\$ 565,918</b>

(a) Represents the write-off of unamortized deferred financing costs and other expenses related to refinancing of debt and prepayment penalties for early debt payoff.

(b) Represents equity-based compensation expense for awards granted to employees and non-employee directors. The higher expense in 2021 is primarily due to 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 and expenses related to integration efforts related to acquisitions.

(d) Represents a non-cash 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 period consists of \$11.7 million of consulting expenses associated with systems implementation activities and post-implementation support services, \$10.5 million of expenses associated with litigation, a \$0.8 million loss related to the write-off of an investment, and \$3.9 million of net other non-recurring expenses, offset by income of \$2.9 million related to changes in AdaptHealth's estimated TRA liability. The 2021 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 litigation, claims and settlements, \$1.9 million of expenses associated with lease terminations, and \$4.6 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.

# Free Cash Flow Reconciliation

This presentation discusses AdaptHealth's Free Cash Flow. AdaptHealth defines free cash flow as net cash provided by operating activities less cash paid for purchases of equipment and other fixed assets.

The following unaudited table presents Free Cash Flow for the years ended December 31, 2022 and 2021 (in thousands):

	Year Ended December 31,	
	2022	2021
Net cash provided by operating activities	\$ 373,867	\$ 275,679
Purchases of equipment and other fixed assets	(391,423)	(203,308)
<b>Free cash flow</b>	<b>\$ (17,556)</b>	<b>\$ 72,371</b>