



Financial Supplement

Q4 2023

 adapthealth

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.

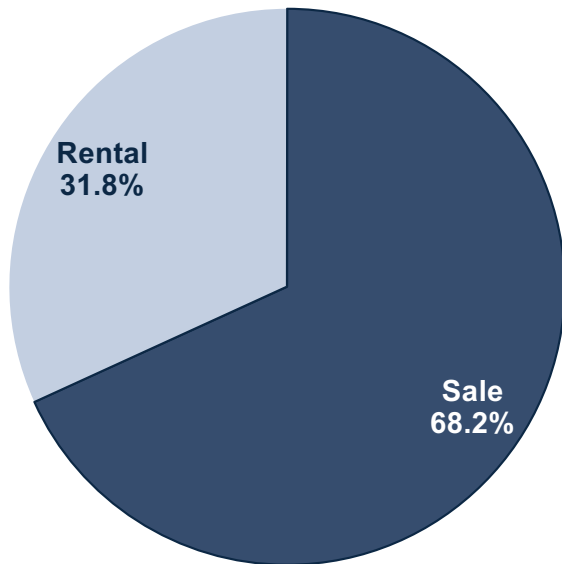
Summary Financial Results

(in thousands)	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Sales revenue	\$ 585,289	\$ 532,125	\$ 521,633	\$ 492,255	\$ 534,548
Rental revenue	\$ 272,945	\$ 271,906	\$ 271,653	\$ 252,371	\$ 245,735
Total net revenue	\$ 858,234	\$ 804,031	\$ 793,286	\$ 744,626	\$ 780,283
Operating (loss) income ⁽¹⁾	\$ (217,804)	\$ (461,036)	\$ 54,262	\$ 26,177	\$ 26,732
Net (loss) income attributable to AdaptHealth Corp. ⁽²⁾	\$ (254,503)	\$ (454,076)	\$ 13,977	\$ 15,707	\$ (2,588)
Adjusted EBITDA	\$ 204,619	\$ 161,167	\$ 171,045	\$ 133,964	\$ 145,956
Adjusted EBITDA as a percentage of net revenue	23.8%	20.0%	21.6%	18.0%	18.7%

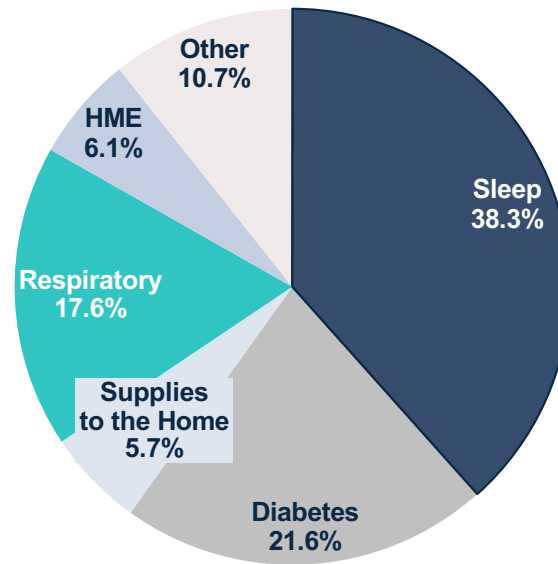
(1) Operating loss for the three months ended December 31, 2023 and September 30, 2023 includes non-cash goodwill impairment charges of \$318,921 and \$511,866, respectively.

(2) Net (loss) income attributable to AdaptHealth Corp. includes non-cash gains resulting from the decrease in the estimated fair value of the Company's warrant liability. Changes in such liability are marked to market and recorded in earnings.

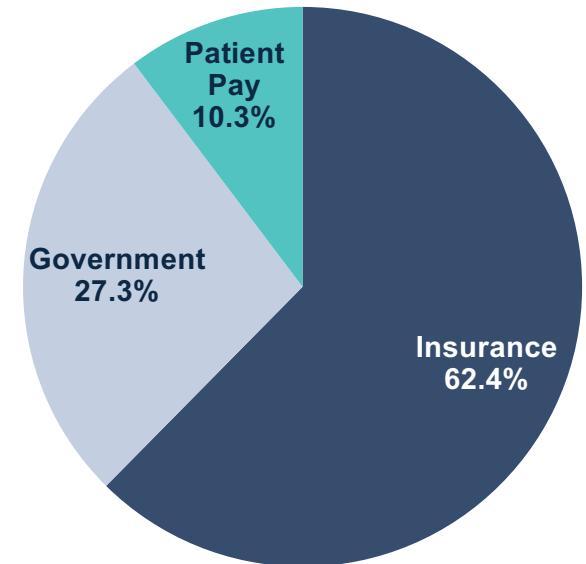
Q4 2023 Business Mix Summary



Sale Type



Product



Payor

Revenue by Product

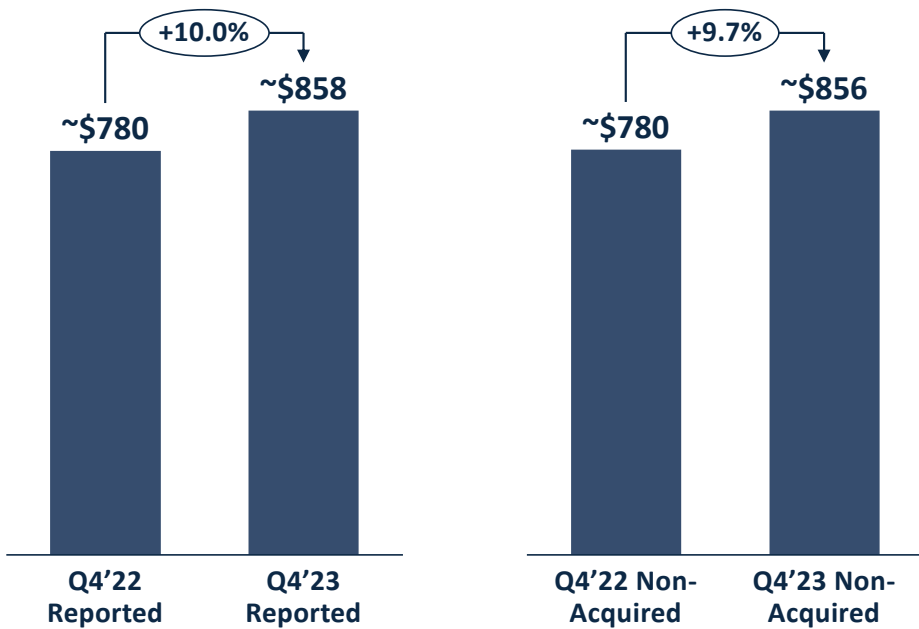
(in thousands)

	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Net sales revenue					
Sleep	\$ 240,808	\$ 227,005	\$ 215,849	\$ 213,457	\$ 208,787
Diabetes	182,538	157,328	165,021	142,544	188,295
Supplies to the home	49,248	48,349	48,323	46,555	47,787
Respiratory	8,086	8,164	8,191	7,929	8,572
HME	27,302	27,095	27,237	28,563	28,714
Other	77,307	64,184	57,012	53,207	52,393
Total net sales revenue	\$ 585,289	\$ 532,125	\$ 521,633	\$ 492,255	\$ 534,548
% of total net revenue	68.2%	66.2%	65.8%	66.1%	68.5%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 87,957	\$ 88,387	\$ 86,783	\$ 80,922	\$ 76,683
Diabetes	2,282	2,609	3,886	3,831	3,912
Respiratory	142,919	142,919	145,889	134,723	128,634
HME	24,926	25,087	23,974	22,341	25,502
Other	14,861	12,904	11,121	10,554	11,004
Total net revenue from fixed monthly equipment reimbursements	\$ 272,945	\$ 271,906	\$ 271,653	\$ 252,371	\$ 245,735
% of total net revenue	31.8%	33.8%	34.2%	33.9%	31.5%
Total net revenue					
Sleep	\$ 328,765	\$ 315,392	\$ 302,632	\$ 294,379	\$ 285,470
Diabetes	184,820	159,937	168,907	146,375	192,207
Supplies to the home	49,248	48,349	48,323	46,555	47,787
Respiratory	151,005	151,083	154,080	142,652	137,206
HME	52,228	52,182	51,211	50,904	54,216
Other	92,168	77,088	68,133	63,761	63,397
Total net revenue	\$ 858,234	\$ 804,031	\$ 793,286	\$ 744,626	\$ 780,283

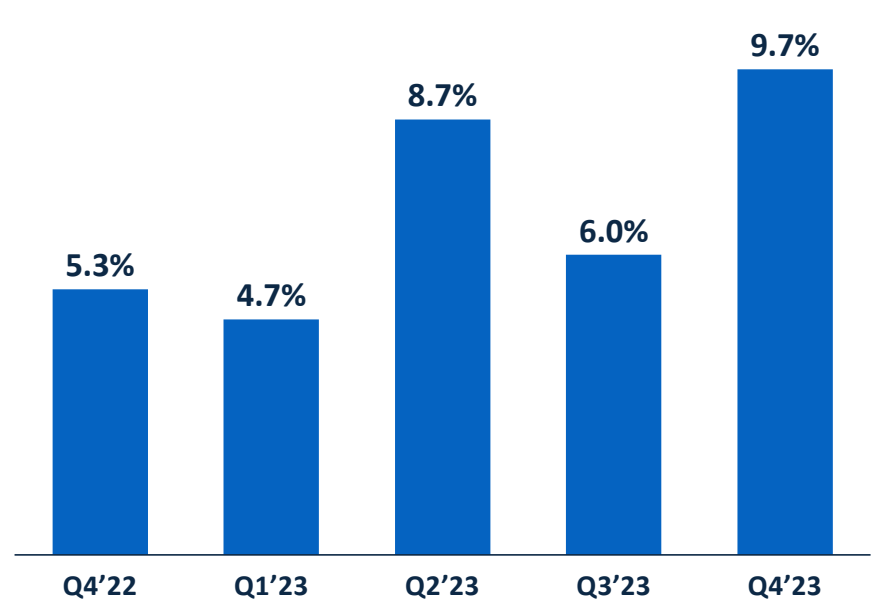
Net Revenue Growth

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		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net (loss) income attributable to AdaptHealth Corp.	\$ (254,503)	\$ (2,588)	\$ (678,895)	\$ 69,316
Income attributable to noncontrolling interests	928	1,017	4,115	3,817
Interest expense, net	33,486	30,509	130,299	109,414
Income tax (benefit) expense	(18,111)	4,733	(49,004)	24,769
Depreciation and amortization, including patient equipment depreciation	92,364	102,343	382,783	351,178
EBITDA	(145,836)	136,014	(210,702)	558,494
Equity-based compensation expense (a)	5,184	5,613	22,468	22,397
Transaction costs (b)	339	171	960	6,003
Change in fair value of warrant liability (c)	(2,596)	(13)	(34,482)	(17,158)
Goodwill impairment (d)	318,921	-	830,787	-
Litigation settlement expense (e)	25,140	-	25,140	-
Other non-recurring expenses, net (f)	3,467	4,171	36,624	24,034
Adjusted EBITDA	\$ 204,619	\$ 145,956	\$ 670,795	\$ 593,770
Net (loss) income attributable to AdaptHealth Corp. as a percentage of net revenue	(29.7)%	(0.3)%	(21.2)%	2.3%
Adjusted EBITDA as a percentage of net revenue	23.8%	18.7%	21.0%	20.0%

(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 non-cash gains for the change in the estimated fair value of the warrant liability.

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

(e) Represents an expense relating to an agreement to settle a previously disclosed securities class action lawsuit, net of expected contributions from AdaptHealth's insurers.

(f) The 2023 period consists of \$13.9 million of expenses associated with litigation, \$7.1 million of severance charges (of which \$2.9 million relates to the separation of AdaptHealth's former CEO), \$5.6 million of consulting expenses associated with systems implementation activities, \$5.2 million of expenses associated with cost savings initiatives, \$4.8 million of lease termination costs associated with a cost management program, \$0.9 million of net impairments of operating lease right-of-use assets as a result of vacating the leased facilities, and \$1.6 million of other non-recurring expenses, offset by income of \$2.5 million related to changes in AdaptHealth's estimated Tax Receivable Agreement ("TRA") liability. 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.

Free Cash Flow

(in thousands)	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net cash provided by operating activities	\$ 155,266	\$ 96,920	\$ 480,666	\$ 373,867
Purchases of equipment and other fixed assets	(88,647)	(142,912)	(337,463)	(391,423)
Free cash flow	\$ 66,619	\$ (45,992)	\$ 143,203	\$ (17,556)

Free cash flow was positive \$66.6 million for the three months ended December 31, 2023 compared to negative \$46.0 million for the three months ended December 31, 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 and accounts payable and accrued expenses, and a decrease in, and timing of, purchases of patient medical equipment for operating requirements.

Free cash flow was positive \$143.2 million for the year ended December 31, 2023 compared to negative \$17.6 million for the year ended December 31, 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, and a decrease in, and timing of, purchases of patient medical equipment for operating requirements, offset by an increase in cash paid for interest.

Share Count Information

(in thousands)	Common Stock	Preferred Stock ⁽¹⁾	Total Common and Preferred Stock if Converted
Number of shares outstanding, September 30, 2023	134,991	124	147,397
Equity-based compensation activity	185	-	185
Exercise of stock options	11	-	11
Shares purchased under share repurchase program	(2,552)	-	(2,552)
Number of shares outstanding, December 31, 2023	132,635	124	145,041

(in thousands)	Warrants ⁽²⁾	Stock Options ⁽³⁾	Unvested Restricted Stock
Number of securities outstanding, September 30, 2023	3,871	3,420	2,139
Exercise of stock options	-	(11)	-
Grants of restricted stock	-	-	201
Vesting of restricted stock	-	-	(254)
Forfeitures of restricted stock	-	-	(18)
Number of securities outstanding, December 31, 2023	3,871	3,409	2,068

(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 December 31, 2023 have a weighted-average exercise price of \$14.90 per share

Note: The above tables represent the outstanding securities as of December 31, 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 (Loss) Per Share

(in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Numerator				
Net (loss) income attributable to AdaptHealth Corp.	\$ (254,503)	\$ (2,588)	\$ (678,895)	\$ 69,316
Less: Earnings allocated to participating securities ⁽¹⁾	—	—	—	5,867
Net (loss) income for basic EPS	\$ (254,503)	\$ (2,588)	\$ (678,895)	\$ 63,449
Change in fair value of warrant liability ⁽²⁾	—	—	(34,482)	(17,158)
Net (loss) income for diluted EPS	\$ (254,503)	\$ (2,588)	\$ (713,377)	\$ 46,291
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	132,990	134,139	134,156	134,175
Add: Warrants ⁽²⁾	—	—	262	1,528
Add: Stock options	—	—	—	2,512
Add: Unvested restricted stock	—	—	—	773
Diluted weighted-average common shares outstanding	132,990	134,139	134,418	138,988
Basic net (loss) income per share	\$ (1.91)	\$ (0.02)	\$ (5.06)	\$ 0.47
Diluted net (loss) income per share	\$ (1.91)	\$ (0.02)	\$ (5.31)	\$ 0.33

(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 months ended December 31, 2023 and 2022, and the twelve months ended December 31, 2023, due to the net loss reported in those periods.

(2) For the twelve months ended December 31, 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 (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 December 31, 2023 and 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.