



# Financial Supplement

Q3 2024

# 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 2023 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, Adjusted EBITDA Margin 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 consolidated 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 consolidated 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

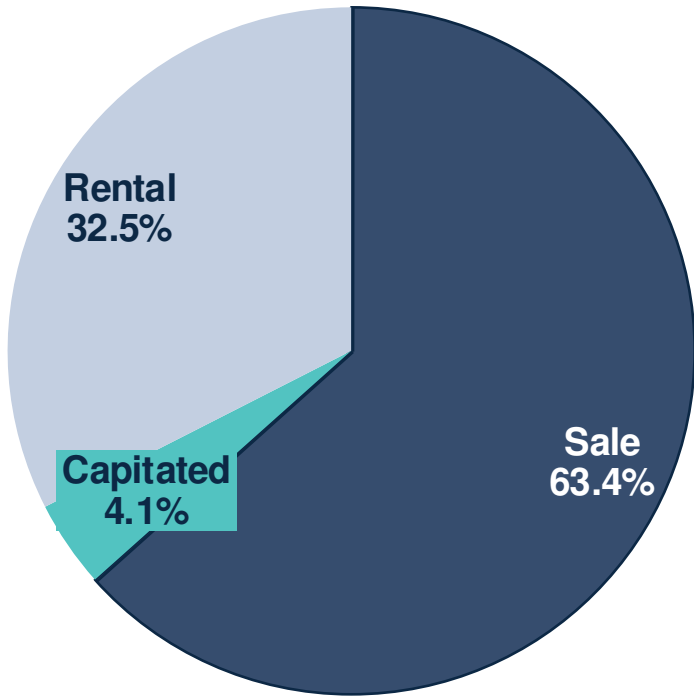
(in thousands, except percentages)

|  | Three Months Ended    |                  |                   |                      |                       |
|--|-----------------------|------------------|-------------------|----------------------|-----------------------|
|  | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
| Sales revenue  | \$ 510,693            | \$ 516,405       | \$ 506,140        | \$ 585,289           | \$ 532,125            |
| Rental revenue   | 262,315               | 258,326          | 254,338           | 272,945              | 271,906               |
| Capitated revenue  | 32,850                | 31,244           | 32,019            | -                    | -                     |
| Total net revenue  | \$ 805,858            | \$ 805,975       | \$ 792,497        | \$ 858,234           | \$ 804,031            |
| Operating income (loss) <sup>(1)</sup>                             | \$ 63,487             | \$ 52,047        | \$ 50,531         | \$ (217,804)         | \$ (461,036)          |
| Net income (loss) attributable to AdaptHealth Corp. <sup>(2)</sup> | \$ 22,859             | \$ 19,435        | \$ (2,134)        | \$ (254,503)         | \$ (454,076)          |
| Adjusted EBITDA  | \$ 164,257            | \$ 165,315       | \$ 158,485        | \$ 204,619           | \$ 161,167            |
| Adjusted EBITDA Margin   | 20.4%                 | 20.5%            | 20.0%             | 23.8%                | 20.0%                 |

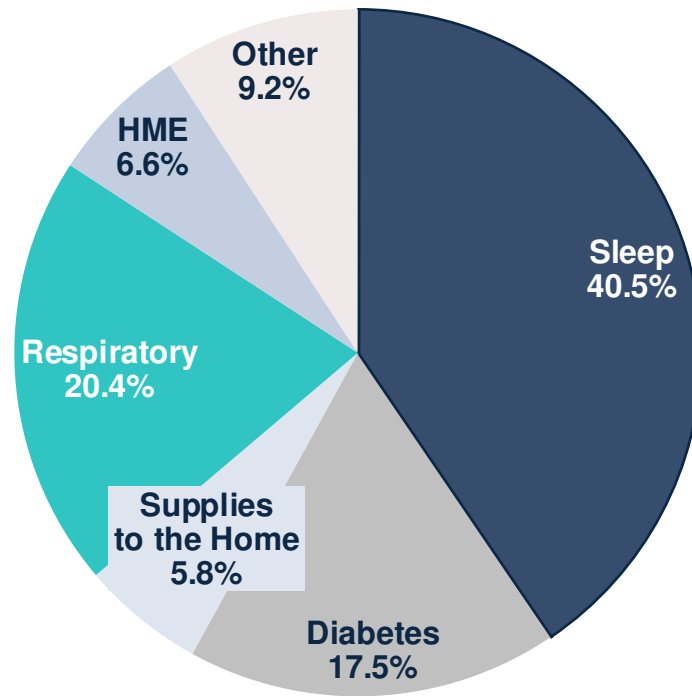
(1) Operating income (loss) for the three months ended June 30, 2024, March 31, 2024, December 31, 2023 and September 30, 2023 includes non-cash goodwill impairment charges of \$6,548, \$6,530, \$318,921 and \$511,866, respectively.

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

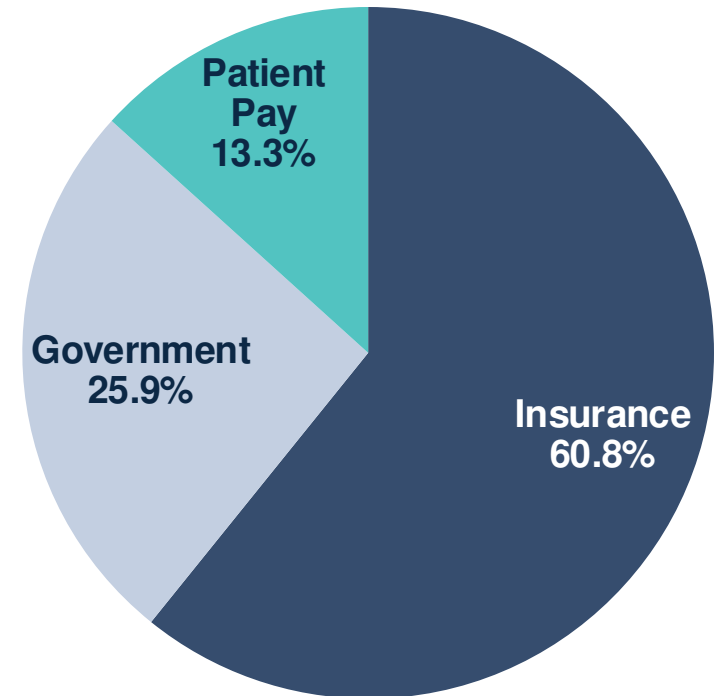
# Q3 2024 Business Mix Summary



**Sale Type**



**Product**



**Payor**

# Revenue by Product (1 of 2)

(in thousands)

|  | Three Months Ended    |                   |                   |                      |                       |
|--|-----------------------|-------------------|-------------------|----------------------|-----------------------|
|  | September 30,<br>2024 | June 30,<br>2024  | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
| <b>Net sales revenue</b>                                       |                       |                   |                   |                      |                       |
| Sleep  | \$ 237,537            | \$ 233,361        | \$ 225,526        | \$ 240,808           | \$ 227,005            |
| Diabetes   | 137,099               | 147,261           | 146,979           | 182,538              | 157,328               |
| Supplies to the home   | 43,534                | 44,265            | 44,648            | 49,248               | 48,349                |
| Respiratory  | 8,148                 | 7,871             | 7,704             | 8,086                | 8,164                 |
| HME  | 24,331                | 25,963            | 25,622            | 27,302               | 27,095                |
| Other  | 60,044                | 57,684            | 55,661            | 77,307               | 64,184                |
| Total net sales revenue  | <u>\$ 510,693</u>     | <u>\$ 516,405</u> | <u>\$ 506,140</u> | <u>\$ 585,289</u>    | <u>\$ 532,125</u>     |
| % of total net revenue   | 63.4%                 | 64.1%             | 63.9%             | 68.2%                | 66.2%                 |
| <b>Net revenue from fixed monthly equipment reimbursements</b> |                       |                   |                   |                      |                       |
| Sleep  | \$ 81,530             | \$ 82,053         | \$ 80,690         | \$ 87,957            | \$ 88,387             |
| Diabetes   | 2,438                 | 2,382             | 2,279             | 2,282                | 2,609                 |
| Respiratory  | 140,930               | 138,899           | 137,232           | 142,919              | 142,919               |
| HME  | 24,551                | 23,355            | 22,566            | 24,926               | 25,087                |
| Other  | 12,866                | 11,637            | 11,571            | 14,861               | 12,904                |
| Total net revenue from fixed monthly equipment reimbursements  | <u>\$ 262,315</u>     | <u>\$ 258,326</u> | <u>\$ 254,338</u> | <u>\$ 272,945</u>    | <u>\$ 271,906</u>     |
| % of total net revenue   | 32.5%                 | 32.0%             | 32.1%             | 31.8%                | 33.8%                 |

# Revenue by Product (2 of 2)

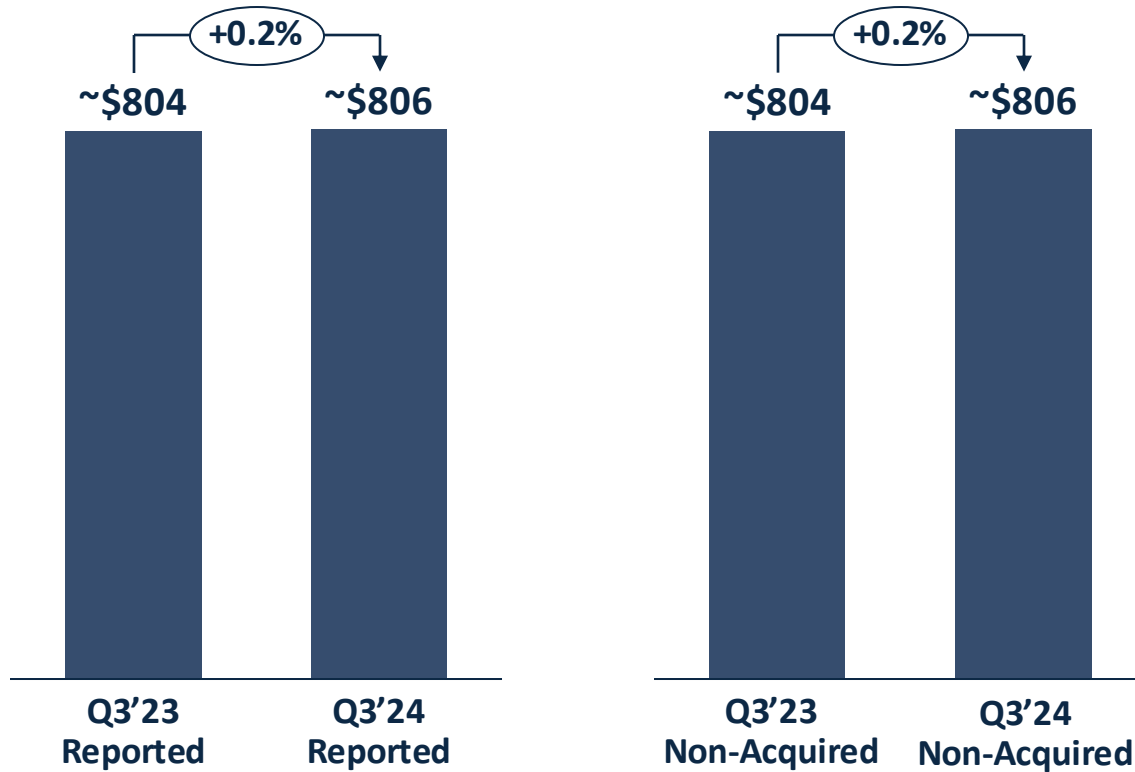
(in thousands)

|  | Three Months Ended    |                   |                   |                      |                       |
|--|-----------------------|-------------------|-------------------|----------------------|-----------------------|
|  | September 30,<br>2024 | June 30,<br>2024  | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
| <b>Net revenue from capitated revenue arrangements</b> |                       |                   |                   |                      |                       |
| Sleep  | \$ 7,380              | \$ 6,976          | \$ 7,052          | \$ -                 | \$ -                  |
| Diabetes   | 1,535                 | 1,546             | 1,598             | -                    | -                     |
| Supples to the home                                    | 3,246                 | 3,080             | 3,210             | -                    | -                     |
| Respiratory  | 14,939                | 14,456            | 15,126            | -                    | -                     |
| HME  | 4,115                 | 3,712             | 3,498             | -                    | -                     |
| Other  | 1,635                 | 1,474             | 1,535             | -                    | -                     |
| Total net revenue from capitated revenue arrangements  | <u>\$ 32,850</u>      | <u>\$ 31,244</u>  | <u>\$ 32,019</u>  | <u>\$ -</u>          | <u>\$ -</u>           |
| % of total net revenue                                 | 4.1%                  | 3.9%              | 4.0%              | -                    | -                     |
| <b>Total net revenue</b>                               |                       |                   |                   |                      |                       |
| Sleep  | \$ 326,447            | \$ 322,390        | \$ 313,268        | \$ 328,765           | \$ 315,392            |
| Diabetes   | 141,072               | 151,189           | 150,856           | 184,820              | 159,937               |
| Supples to the home                                    | 46,780                | 47,345            | 47,858            | 49,248               | 48,349                |
| Respiratory  | 164,017               | 161,226           | 160,062           | 151,005              | 151,083               |
| HME  | 52,997                | 53,030            | 51,686            | 52,228               | 52,182                |
| Other  | 74,545                | 70,795            | 68,767            | 92,168               | 77,088                |
| Total net revenue                                      | <u>\$ 805,858</u>     | <u>\$ 805,975</u> | <u>\$ 792,497</u> | <u>\$ 858,234</u>    | <u>\$ 804,031</u>     |

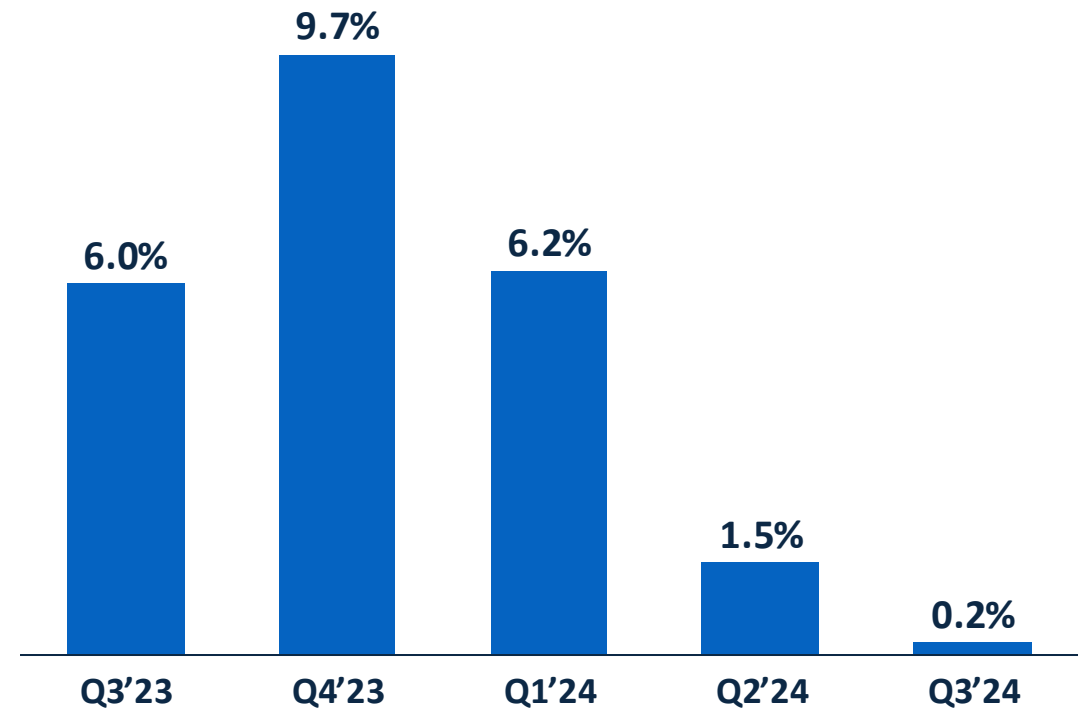
# Net Revenue Growth

In millions

### Reported Net Revenue Growth



### Non-Acquired Net Revenue Growth <sup>(1)</sup>



(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, except percentages)                                      | Three Months Ended September 30, |                    |                   |                    | Nine Months Ended September 30, |                    |                   |                    |
|---|----------------------------------|--------------------|-------------------|--------------------|---------------------------------|--------------------|-------------------|--------------------|
|   | 2024                             |                    | 2023              |                    | 2024                            |                    | 2023              |                    |
|   | Dollars                          | Revenue Percentage | Dollars           | Revenue Percentage | Dollars                         | Revenue Percentage | Dollars           | Revenue Percentage |
| Net income (loss) attributable to AdaptHealth Corp.                     | \$ 22,859                        | 2.8%               | \$ (454,076)      | (56.5)%            | \$ 40,160                       | 1.7%               | \$ (424,392)      | (18.1)%            |
| Income attributable to noncontrolling interests                         | 1,096                            | 0.1%               | 1,155             | 0.1%               | 3,217                           | 0.1%               | 3,187             | 0.1%               |
| Interest expense, net   | 31,429                           | 3.9%               | 32,306            | 4.0%               | 96,939                          | 4.0%               | 96,813            | 4.1%               |
| Income tax expense (benefit)  | 8,073                            | 1.0%               | (34,578)          | (4.2)%             | 21,931                          | 0.9%               | (30,893)          | (1.3)%             |
| Depreciation and amortization, including patient equipment depreciation | 90,759                           | 11.3%              | 97,310            | 12.1%              | 274,797                         | 11.5%              | 290,419           | 12.4%              |
| <b>EBITDA</b>   | <b>154,216</b>                   | <b>19.1%</b>       | <b>(357,883)</b>  | <b>(44.5)%</b>     | <b>437,044</b>                  | <b>18.2%</b>       | <b>(64,866)</b>   | <b>(2.8)%</b>      |
| Equity-based compensation expense (a)                                   | 863                              | 0.1%               | 4,521             | 0.5%               | 10,614                          | 0.4%               | 17,284            | 0.7%               |
| Change in fair value of warrant liability (b)                           | (2,243)                          | (0.3)%             | (9,160)           | (1.1)%             | (1,800)                         | (0.1)%             | (31,886)          | (1.4)%             |
| Goodwill impairment (c)   | -                                | -%                 | 511,866           | 63.7%              | 13,078                          | 0.5%               | 511,866           | 21.9%              |
| Loss on extinguishment of debt (d)                                      | 2,273                            | 0.3%               | -                 | -%                 | 2,273                           | 0.1%               | -                 | -%                 |
| Litigation settlement expense, net (e)                                  | -                                | -%                 | -                 | -%                 | 3,345                           | 0.1%               | -                 | -%                 |
| Other non-recurring expenses, net (f)                                   | 9,148                            | 1.2%               | 11,823            | 1.4%               | 23,503                          | 1.1%               | 33,778            | 1.5%               |
| <b>Adjusted EBITDA</b>  | <b>\$ 164,257</b>                | <b>20.4%</b>       | <b>\$ 161,167</b> | <b>20.0%</b>       | <b>\$ 488,057</b>               | <b>20.3%</b>       | <b>\$ 466,176</b> | <b>19.9%</b>       |
| <b>Adjusted EBITDA Margin</b>   |                                  | <b>20.4%</b>       |                   | <b>20.0%</b>       |                                 | <b>20.3%</b>       |                   | <b>19.9%</b>       |

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

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

(c) The 2024 period represents non-cash goodwill impairment charges relating to the disposition of certain immaterial custom rehab technology assets. The 2023 period includes a non-cash goodwill impairment charge as a result of the fair value of the Company's reporting unit being less than its carrying value.

(d) Represents lender fees and the write-off of unamortized deferred financing costs in connection with the refinancing of the Company's credit agreement.

(e) Represents a \$2.4 million charge for the change in fair value of shares of Common Stock of the Company that were issued in July 2024 following final court approval of a previously disclosed securities class action lawsuit, as well as an expense of \$0.9 million to settle a shareholder derivative complaint.

(f) The 2024 period consists of \$9.7 million of consulting expenses associated with systems implementation activities, \$3.3 million of severance charges (primarily related to the separation of the Company's former President), \$3.3 million of expenses associated with litigation, \$2.7 million write-down of assets, and \$4.5 million of other non-recurring expenses. The 2023 period consists of \$12.5 million of expenses associated with litigation, \$6.3 million of severance charges (of which \$2.9 million related 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 \$6.1 million of other non-recurring expenses.

# Free Cash Flow

(in thousands)

|   | Three Months Ended    |                       | Nine Months Ended     |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | September 30,<br>2024 | September 30,<br>2023 | September 30,<br>2024 | September 30,<br>2023 |
| Net cash provided by operating activities     | \$ 144,405            | \$ 98,833             | \$ 391,424            | \$ 325,400            |
| Purchases of equipment and other fixed assets | (59,556)              | (77,086)              | (228,719)             | (248,816)             |
| <b>Free cash flow</b>                         | <b>\$ 84,849</b>      | <b>\$ 21,747</b>      | <b>\$ 162,705</b>     | <b>\$ 76,584</b>      |

Free cash flow was \$84.8 million for the three months ended September 30, 2024 compared to \$21.7 million for the three months ended September 30, 2023. The increase in free cash flow was due to higher net cash provided by operating activities, primarily due to a net increase in the source of cash from operating assets and liabilities related to accounts receivable, inventory and accounts payable and accrued expenses. Free cash flow during the three months ended September 30, 2024 was positively impacted by cash collections of accounts receivable from pending claims related to the Change Healthcare cybersecurity incident (see further discussion below). The increase in free cash flow was also, to a lesser extent, due to a decrease in, and timing of, purchases of patient medical equipment for operating requirements.

Free cash flow was \$162.7 million for the nine months ended September 30, 2024 compared to \$76.6 million for the nine months ended September 30, 2023. The increase in free cash flow was due to higher net cash provided by operating activities, primarily from funds received in connection with AdaptHealth's participation in the Optum Temporary Funding Assistance Program (see further discussion below). The increase in free cash flow was also, to a lesser extent, due to a decrease in, and timing of, purchases of patient medical equipment for operating requirements.

As previously disclosed, in February 2024, AdaptHealth learned that a cyber security threat actor had gained access to some of the information technology systems of Change Healthcare, a subsidiary of UnitedHealth Group, with which one of AdaptHealth's third-party software providers interfaces in connection with AdaptHealth's claims processing activity. UnitedHealth Group isolated the impacted systems upon learning of this threat and Change Healthcare suspended its claims processing activity with AdaptHealth's software provider. AdaptHealth has worked with its software provider to identify and implement alternative processes to help maintain its claims processing activity. This incident impacted the timing of collection of certain accounts receivable. Pending claims from this incident peaked shortly following the data breach, however, all pending claims have been processed and the impacted accounts receivable balances have been substantially collected by September 30, 2024.

During the nine months ended September 30, 2024, AdaptHealth participated in the Optum Temporary Funding Assistance Program which was designed to provide short-term cash flow relief to providers impacted by the disruption in Change Healthcare's services. As of September 30, 2024, AdaptHealth received \$40.7 million under this program which was repaid in October 2024. AdaptHealth has not incurred any fees, interest or other associated costs for participating in the program.

# Share Count Information

| <u>(in thousands)</u>                                       | <u>Common Stock</u> | <u>Preferred Stock <sup>(1)</sup></u> | <u>Total Common and Preferred Stock if Converted</u> |
|---|---------------------|---------------------------------------|--|
| <b>Number of shares outstanding, June 30, 2024</b>          | <b>133,377</b>      | <b>124</b>                            | <b>145,783</b>                                       |
| Equity-based compensation activity                          | 79                  | -                                     | 79   |
| Exercise of stock options                                   | 44                  | -                                     | 44   |
| Employee stock purchase plan activity                       | 39                  | -                                     | 39   |
| Issuance of shares in connection with litigation settlement | 1,000               | -                                     | 1,000  |
| <b>Number of shares outstanding, September 30, 2024</b>     | <b>134,539</b>      | <b>124</b>                            | <b>146,945</b>                                       |

| <u>(in thousands)</u>                                       | <u>Warrants <sup>(2)</sup></u> | <u>Stock Options <sup>(3)</sup></u> | <u>Unvested Restricted Stock</u> |
|---|--------------------------------|-------------------------------------|----------------------------------|
| <b>Number of securities outstanding, June 30, 2024</b>      | <b>3,871</b>                   | <b>2,497</b>                        | <b>4,006</b>                     |
| Grants of restricted stock                                  | -                              | -                                   | 483                              |
| Vesting of restricted stock                                 | -                              | -                                   | (118)                            |
| Forfeitures of restricted stock                             | -                              | -                                   | (976)                            |
| Exercise of stock options                                   | -                              | (68)                                | -                                |
| <b>Number of securities outstanding, September 30, 2024</b> | <b>3,871</b>                   | <b>2,429</b>                        | <b>3,395</b>                     |

(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, 2024 have a weighted-average exercise price of \$13.43 per share

Note: The above tables represent the outstanding securities as of September 30, 2024. 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 (EPS)

| (in thousands, except per share data)                               | Three Months Ended September 30, |              | Nine Months Ended September 30, |              |
|---|----------------------------------|--------------|---------------------------------|--------------|
|   | 2024                             | 2023         | 2024                            | 2023         |
| <b>Numerator</b>  |                                  |              |                                 |              |
| Net income (loss) attributable to AdaptHealth Corp.                 | \$ 22,859                        | \$ (454,076) | \$ 40,160                       | \$ (424,392) |
| Less: Earnings allocated to participating securities <sup>(1)</sup> | 1,933                            | —            | 3,415                           | —            |
| Net income (loss) for basic EPS                                     | \$ 20,926                        | \$ (454,076) | \$ 36,745                       | \$ (424,392) |
| Change in fair value of warrant liability <sup>(2)</sup>            | —                                | (9,160)      | —                               | (31,886)     |
| Net income (loss) for diluted EPS                                   | \$ 20,926                        | \$ (463,236) | \$ 36,745                       | \$ (456,278) |
| <b>Denominator <sup>(1) (2)</sup></b>                               |                                  |              |                                 |              |
| Basic weighted-average common shares outstanding                    | 134,303                          | 134,825      | 133,481                         | 134,549      |
| Add: Warrants <sup>(2)</sup>  | —                                | 157          | —                               | 653          |
| Add: Stock options  | 301                              | —            | 245                             | —            |
| Add: Unvested restricted stock                                      | 1,926                            | —            | 1,715                           | —            |
| Diluted weighted-average common shares outstanding                  | 136,530                          | 134,982      | 135,441                         | 135,202      |
| Basic net income (loss) per share                                   | \$ 0.16                          | \$ (3.37)    | \$ 0.28                         | \$ (3.15)    |
| Diluted net income (loss) per share                                 | \$ 0.15                          | \$ (3.43)    | \$ 0.27                         | \$ (3.37)    |

(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 three and nine 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 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 gain recognized for the change in fair value of this instrument during these periods. For the three and nine months ended September 30, 2024, this adjustment is excluded from the computation of diluted net income per share under the treasury stock method since its inclusion would have been anti-dilutive.