



Financial Supplement

Q2 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.

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

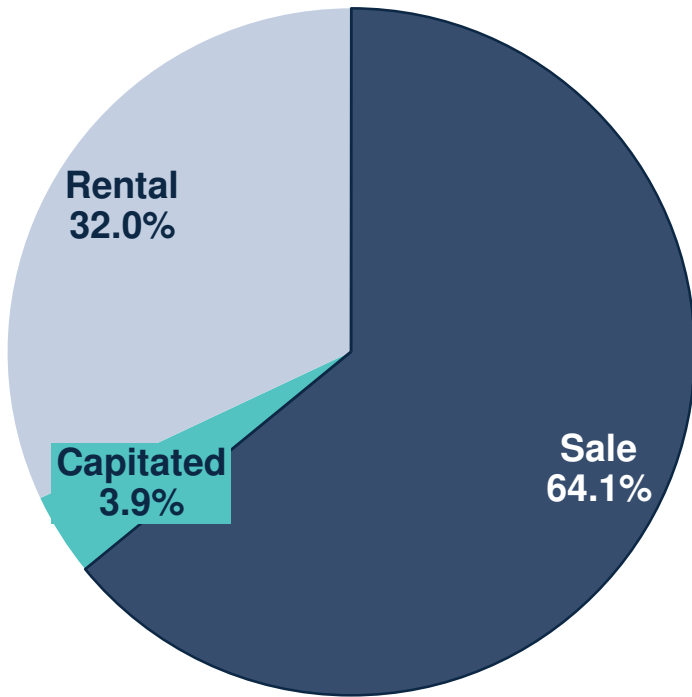
(in thousands, except percentages)

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Sales revenue	\$ 516,405	\$ 506,140	\$ 585,289	\$ 532,125	\$ 521,633
Rental revenue	\$ 258,326	\$ 254,338	\$ 272,945	\$ 271,906	\$ 271,653
Capitated revenue	\$ 31,244	\$ 32,019	\$ -	\$ -	\$ -
Total net revenue	\$ 805,975	\$ 792,497	\$ 858,234	\$ 804,031	\$ 793,286
Operating income (loss) ⁽¹⁾	\$ 52,047	\$ 50,531	\$ (217,804)	\$ (461,036)	\$ 54,262
Net income (loss) attributable to AdaptHealth Corp. ⁽²⁾	\$ 19,435	\$ (2,134)	\$ (254,503)	\$ (454,076)	\$ 13,977
Adjusted EBITDA	\$ 165,315	\$ 158,485	\$ 204,619	\$ 161,167	\$ 171,045
Adjusted EBITDA Margin	20.5%	20.0%	23.8%	20.0%	21.6%

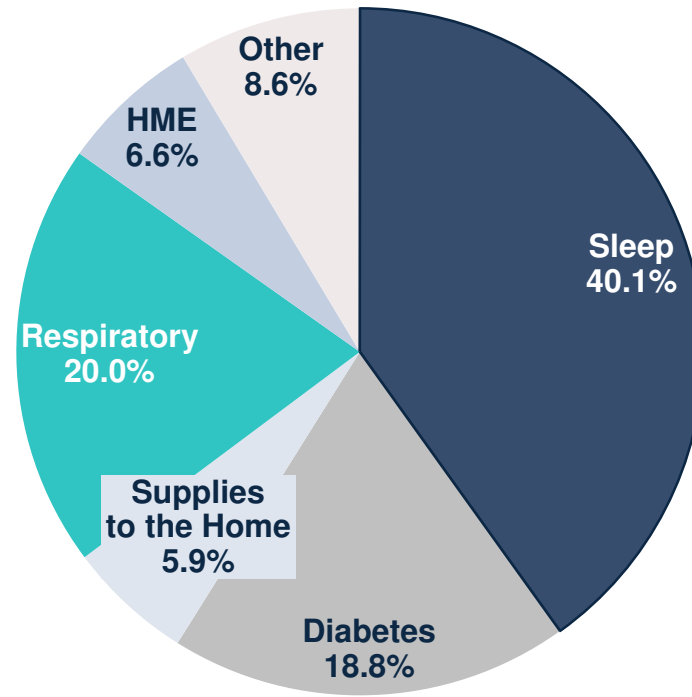
(1) Operating income (loss) for the three months ended June 30, 2024, March 31, 2024, December 31, 2023 and September 30, 2023 includes non-cash goodwill impairment charges of \$6,548, \$6,530, \$318,921 and \$511,866, respectively.

(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.

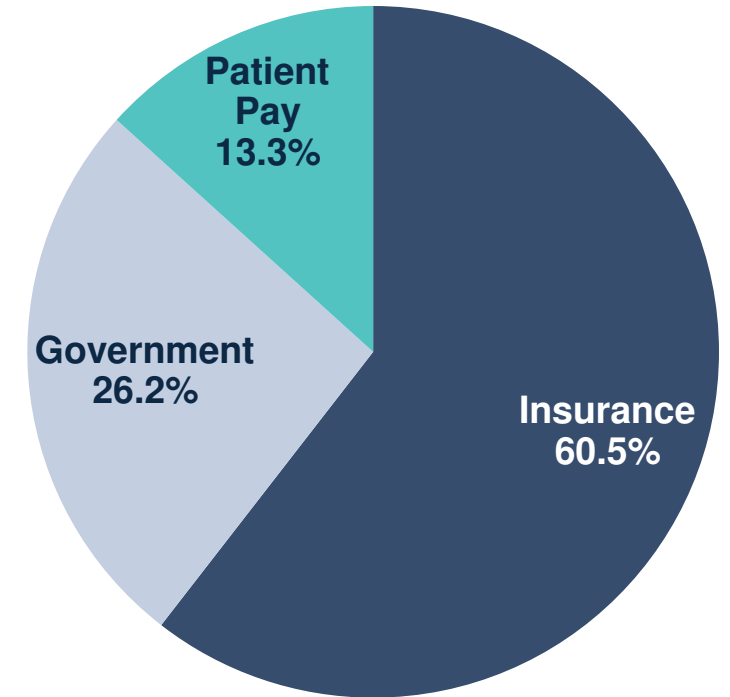
Q2 2024 Business Mix Summary



Sale Type



Product



Payor

Revenue by Product (1 of 2)

(in thousands, except percentages)

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net sales revenue					
Sleep	\$ 233,361	\$ 225,526	\$ 240,808	\$ 227,005	\$ 215,849
Diabetes	147,261	146,979	182,538	157,328	165,021
Supplies to the home	44,265	44,648	49,248	48,349	48,323
Respiratory	7,871	7,704	8,086	8,164	8,191
HME	25,963	25,622	27,302	27,095	27,237
Other	57,684	55,661	77,307	64,184	57,012
Total net sales revenue	\$ 516,405	\$ 506,140	\$ 585,289	\$ 532,125	\$ 521,633
% of total net revenue	64.1%	63.9%	68.2%	66.2%	65.8%
Net revenue from fixed monthly equipment reimbursements					
Sleep	\$ 82,053	\$ 80,690	\$ 87,957	\$ 88,387	\$ 86,783
Diabetes	2,382	2,279	2,282	2,609	3,886
Respiratory	138,899	137,232	142,919	142,919	145,889
HME	23,355	22,566	24,926	25,087	23,974
Other	11,637	11,571	14,861	12,904	11,121
Total net revenue from fixed monthly equipment reimbursements	\$ 258,326	\$ 254,338	\$ 272,945	\$ 271,906	\$ 271,653
% of total net revenue	32.0%	32.1%	31.8%	33.8%	34.2%

Revenue by Product (2 of 2)

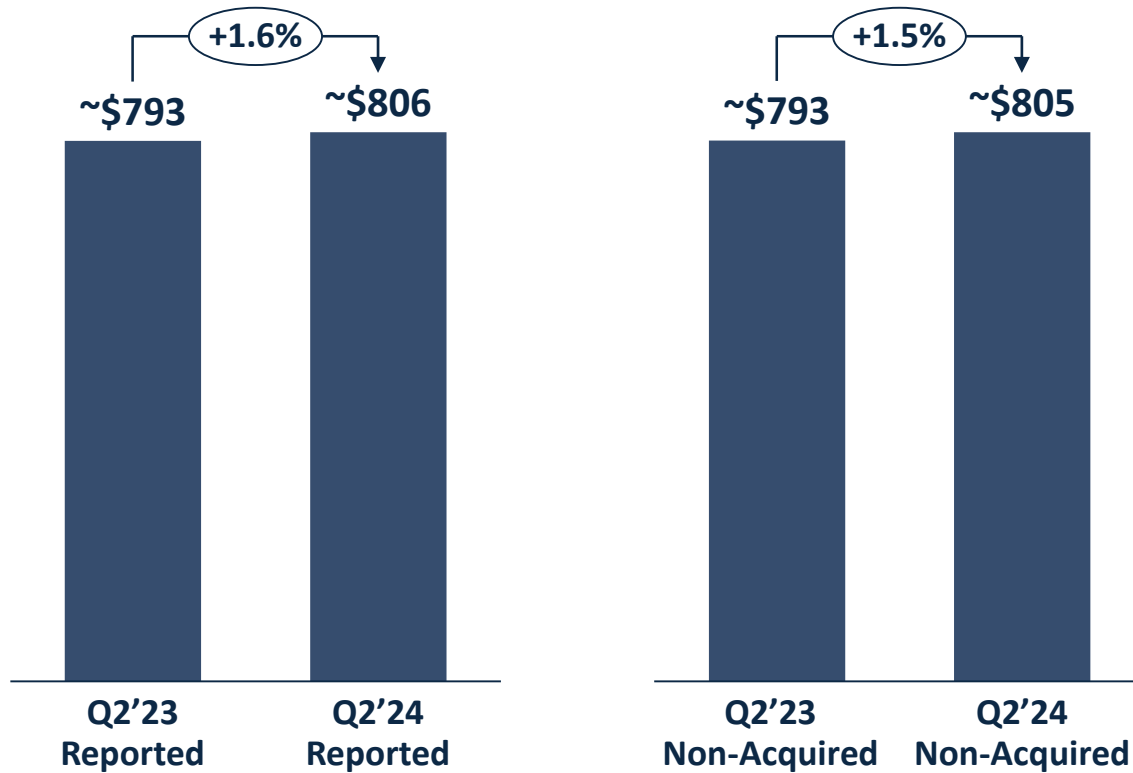
(in thousands, except percentages)

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net revenue from capitated revenue arrangements					
Sleep	\$ 6,976	\$ 7,052	\$ -	\$ -	\$ -
Diabetes	1,546	1,598	-	-	-
Supples to the home	3,080	3,210	-	-	-
Respiratory	14,456	15,126	-	-	-
HME	3,712	3,498	-	-	-
Other	1,474	1,535	-	-	-
Total net revenue from capitated revenue arrangements	\$ 31,244	\$ 32,019	\$ -	\$ -	\$ -
% of total net revenue	3.9%	4.0%	-	-	-
Total net revenue					
Sleep	\$ 322,390	\$ 313,268	\$ 328,765	\$ 315,392	\$ 302,632
Diabetes	151,189	150,856	184,820	159,937	168,907
Supples to the home	47,345	47,858	49,248	48,349	48,323
Respiratory	161,226	160,062	151,005	151,083	154,080
HME	53,030	51,686	52,228	52,182	51,211
Other	70,795	68,767	92,168	77,088	68,133
Total net revenue	\$ 805,975	\$ 792,497	\$ 858,234	\$ 804,031	\$ 793,286

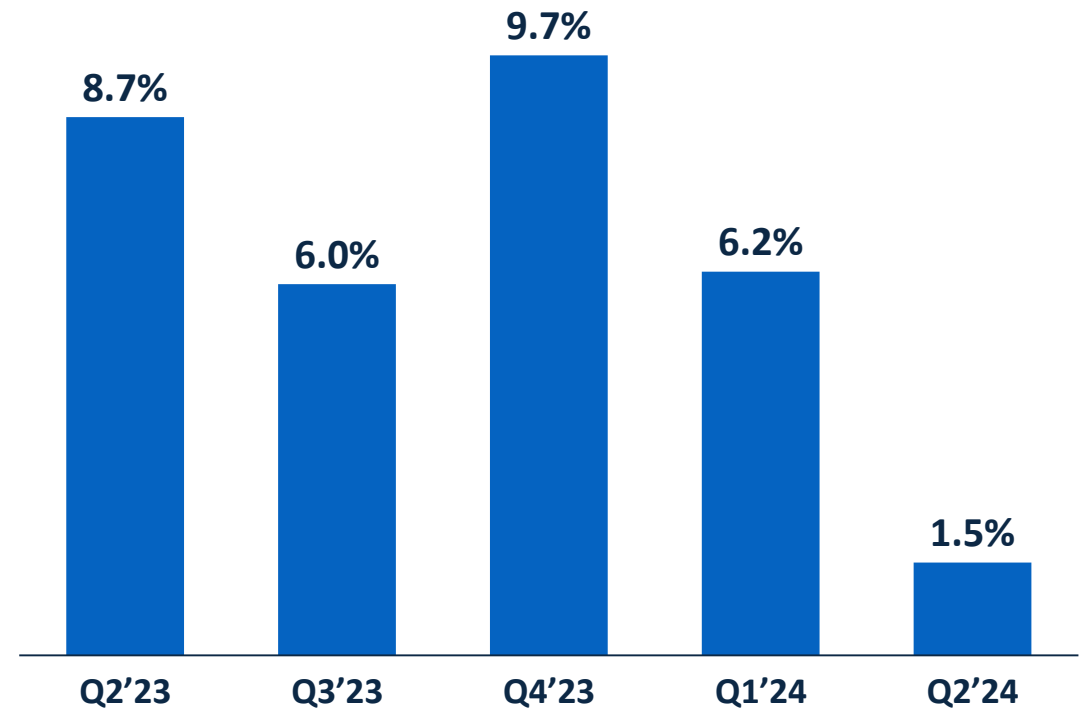
Net Revenue Growth

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, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Dollars	Revenue Percentage	Dollars	Revenue Percentage	Dollars	Revenue Percentage	Dollars	Revenue Percentage
Net income attributable to AdaptHealth Corp.	\$ 19,435	2.4%	\$ 13,977	1.8%	\$ 17,301	1.1%	\$ 29,684	1.9%
Income attributable to noncontrolling interest	1,096	0.1%	1,064	0.1%	2,121	0.1%	2,032	0.1%
Interest expense, net	33,038	4.1%	32,552	4.1%	65,510	4.1%	64,507	4.2%
Income tax expense	7,248	0.9%	5,399	0.7%	13,858	0.9%	3,685	0.3%
Depreciation and amortization, including patient equipment depreciation	91,162	11.3%	99,296	12.5%	184,038	11.5%	193,109	12.6%
EBITDA	151,979	18.8%	152,288	19.2%	282,828	17.7%	293,017	19.1%
Equity-based compensation expense (a)	5,218	0.6%	6,847	0.9%	9,751	0.6%	12,763	0.8%
Change in fair value of warrant liability (b)	(7,010)	(0.9)%	(812)	(0.1)%	443	-%	(22,726)	(1.5)%
Goodwill impairment (c)	6,548	0.8%	-	-%	13,078	0.8%	-	-%
Litigation settlement (gain) expense (d)	(1,760)	(0.2)%	-	-%	3,345	0.2%	-	-%
Other non-recurring expenses, net (e)	10,340	1.3%	12,722	1.6%	14,355	0.9%	21,955	1.4%
Adjusted EBITDA	\$ 165,315	20.5%	\$ 171,045	21.6%	\$ 323,800	20.3%	\$ 305,009	19.8%
Adjusted EBITDA Margin		20.5%		21.6%		20.3%		19.8%

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

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

(c) Represents non-cash goodwill impairment charges relating to an immaterial business disposal during 2024.

(d) The year-to-date amount 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.

(e) The 2024 year-to-date period consists of \$6.8 million of consulting expenses associated with systems implementation activities, \$2.8 million of expenses associated with litigation, \$1.6 million write-down of assets, and \$3.1 million of other non-recurring expenses. 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 \$3.4 million of other non-recurring expenses.

Free Cash Flow

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net cash provided by operating activities	\$ 197,984	\$ 86,319	\$ 247,019	\$ 226,567
Purchases of equipment and other fixed assets	(81,272)	(82,610)	(169,163)	(171,730)
Free cash flow	\$ 116,712	\$ 3,709	\$ 77,856	\$ 54,837

Free cash flow was \$116.7 million for the three months ended June 30, 2024 compared to \$3.7 million for the three months ended June 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. In addition, during the three months ended June 30, 2024, free cash flow was positively impacted by the release of pending claims related to the Change Healthcare cybersecurity incident and 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.

Free cash flow was \$77.9 million for the six months ended June 30, 2024 compared to \$54.8 million for the six months ended June 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. 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 June 30, 2024. This incident impacted the timing of collection of certain accounts receivable. These payment collection delays materially adversely impacted AdaptHealth's operating cash flows during the three months ended March 31, 2024, however, the issues relating to the payment collection delays resulting from this incident were primarily resolved during the three months ended June 30, 2024. Given these impacts, and certain other cash requirements, including the previously disclosed class action securities litigation settlement, AdaptHealth borrowed \$75.0 million under its revolving credit facility to fund its operating cash requirements during the three months ended March 31, 2024, which was repaid in April 2024.

During the six months ended June 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 June 30, 2024, AdaptHealth received \$39.6 million under this program which is expected to be repaid by December 31, 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 ⁽¹⁾</u>	<u>Total Common and Preferred Stock if Converted</u>
Number of shares outstanding, March 31, 2024	133,195	124	145,601
Equity-based compensation activity	182	-	182
Number of shares outstanding, June 30, 2024	133,377	124	145,783

<u>(in thousands)</u>	<u>Warrants ⁽²⁾</u>	<u>Stock Options ⁽³⁾</u>	<u>Unvested Restricted Stock</u>
Number of securities outstanding, March 31, 2024	3,871	2,497	3,002
Grants of restricted stock	-	-	1,224
Vesting of restricted stock	-	-	(206)
Forfeitures of restricted stock	-	-	(14)
Number of securities outstanding, June 30, 2024	3,871	2,497	4,006

(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, 2024 have a weighted-average exercise price of \$13.24 per share

Note: The above tables represent the outstanding securities as of June 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator				
Net income attributable to AdaptHealth Corp.	\$ 19,435	\$ 13,977	\$ 17,301	\$ 29,684
Less: Earnings allocated to participating securities ⁽¹⁾	1,656	1,182	1,475	2,508
Net income for basic EPS	\$ 17,779	\$ 12,795	\$ 15,826	\$ 27,176
Change in fair value of warrant liability ⁽²⁾	—	—	—	(22,726)
Net income for diluted EPS	\$ 17,779	\$ 12,795	\$ 15,826	\$ 4,450
Denominator ^{(1) (2)}				
Basic weighted-average common shares outstanding	133,218	134,295	133,066	134,409
Add: Warrants ⁽²⁾	—	—	—	857
Add: Stock options	298	833	235	1,552
Add: Unvested restricted stock	2,513	1,105	2,397	1,182
Diluted weighted-average common shares outstanding	136,029	136,233	135,698	138,000
Basic net income per share	\$ 0.13	\$ 0.10	\$ 0.12	\$ 0.20
Diluted net income per share	\$ 0.13	\$ 0.09	\$ 0.12	\$ 0.03

(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, 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. 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 recorded for the change in fair value of this instrument during the period. For the six months ended June 30, 2024 and the three months ended June 30, 2024 and 2023, 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.