

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 26, 2020

**AdaptHealth Corp.**

(Exact name of registrant as specified in charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-38399**  
(Commission File Number)

**82-3677704**  
(I.R.S. Employer  
Identification Number)

**220 West Germantown Pike, Suite 250**  
**Plymouth Meeting, PA**  
(Address of principal executive offices)

**19462**  
(Zip Code)

**(610) 630-6357**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	AHCO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 7.01. Regulation FD Disclosure

On May 26, 2020, AdaptHealth Corp., a Delaware corporation (the “Company”), issued a press release announcing the execution of two separate definitive agreements to acquire each of Solara Holdings, LLC, a Delaware limited liability company, and ActivStyle, Inc., a Minnesota corporation (together, the “Acquisitions”). A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

In addition, the Company will be holding a conference call and simultaneous presentation to investors at 8:00 a.m. EST on May 26, 2020 to discuss the Acquisition. A copy of the investor presentation is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Such exhibits and the information set forth therein shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

Additional information about the Acquisition and the related financing and other transactions will be included in a subsequently filed Form 8-K.

## Forward-looking Statements

This Current Report on Form 8-K includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding projections, estimates and forecasts of revenue and other financial and performance metrics and projections of market opportunity and expectations. These statements are based on various assumptions and on the current expectations of Company management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on, by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company.

These forward-looking statements are subject to a number of risks and uncertainties, including the outcome of judicial and administrative proceedings to which the Company may become a party or governmental investigations to which the Company may become subject that could interrupt or limit the Company’s operations, result in adverse judgments, settlements or fines and create negative publicity; changes in the Company’s clients’ preferences, prospects and the competitive conditions prevailing in the healthcare sector; and the impact of the recent coronavirus (COVID-19) pandemic and our response to it. A further description of such risks and uncertainties can be found in the Company’s filings with the Securities and Exchange Commission. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company presently knows or that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect the Company’s expectations, plans or forecasts of future events and views as of the date of this press release. The Company anticipates that subsequent events and developments will cause the Company’s assessments to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company’s assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

## Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<b>Exhibit No.</b>	<b>Exhibit</b>
<a href="#">99.1</a>	<a href="#">Press Release, dated May 26, 2020</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation, dated May 26, 2020</a>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Dated: May 26, 2020

AdaptHealth Corp.

By: /s/ Gregg Holst  
Name: Gregg Holst  
Title: Chief Financial Officer



**ADAPTHEALTH EXPANDS INTO DIABETES SEGMENT WITH ACCRETIVE ACQUISITION OF LEADING DISTRIBUTOR SOLARA MEDICAL SUPPLIES**

**ADDITIONALLY, ANNOUNCES ACCRETIVE ACQUISITION OF ACTIVSTYLE, A HOME MEDICAL SUPPLY PROVIDER**

- Expands AdaptHealth's leading in-home medical supplies platform into the large and fast-growing diabetes and incontinence segments
- Strategic acquisitions further AdaptHealth's vision of connected health solutions for chronic care in the home
- Financially attractive transactions accretive to growth, earnings and cash flow
- Committed equity investments by One Equity Partners and Deerfield Management, existing cash and lending agreements fund the purchases and position the company to pursue additional acquisitions

**Plymouth Meeting, PA – May 26, 2020 – AdaptHealth Corp. (NASDAQ: AHCO) (“AdaptHealth” or the “Company”)**, a leading provider of home medical equipment, supplies and related services in the United States, announced today that it has entered into two separate definitive agreements to acquire San Diego, California based Solara Medical Supplies, LLC (“Solara”) and Minneapolis, Minnesota based ActivStyle, Inc. (“ActivStyle”).

Founded in 2002, Solara is the largest independent distributor of continuous glucose monitors (“CGM”) in the United States and offers a comprehensive suite of direct-to-patient diabetes management supplies to patients throughout the country, including CGMs, insulin pumps and other diabetic supplies. The company maintains extensive relationships with leading national manufacturers, managed healthcare plans and is a registered pharmacy in all 50 states. Solara is currently owned by Linden Capital Partners, a leading healthcare-focused private investment firm.

ActivStyle is a leading direct-to-consumer supply company that provides incontinence and urology products to patients throughout the United States. The company currently serves patients in 48 states with a substantial presence in Illinois, Minnesota, Iowa, Ohio, Pennsylvania, Florida and Texas. ActivStyle maintains extensive relationships with leading manufacturers, allowing the company to leverage a strong supply chain to provide an array of products to patients, including Rely, its comprehensive private label incontinence product line. ActivStyle is currently owned by the Riverside Company.

“As AdaptHealth seeks to provide more value to patients, healthcare professionals, and insurance payors managing chronic conditions in the home, we believe offering a more comprehensive solution for diabetes, including CGMs, is an important addition to our expanding suite of products,” commented Luke McGee, CEO of AdaptHealth. “The acquisition of Solara allows AdaptHealth to add scale in CGM and other diabetes management supplies and offer enhanced care for our patients with co-morbidities like obstructive sleep apnea. We believe that Solara and ActivStyle will further AdaptHealth’s vision of becoming a leading provider of connected health solutions and care in the home.”

Steve Foreman, CEO of Solara, Gayle Devin, CEO of ActivStyle, and their respective management teams will join AdaptHealth.



“We are extremely proud of the organization we have built at Solara, which is based upon an unwavering commitment to serve our patients,” said Mr. Foreman. He added, “We are excited about the capabilities that AdaptHealth will bring to Solara and the ways in which they will enhance our patient service.”

Ms. Devin commented, “We are excited to join the AdaptHealth team. Our cultures are aligned, and we have a very compelling value proposition to offer patients, payors and referrals. These synergies coupled with the resources of AdaptHealth and the combined strengths of our teams will be a winning formula to expand and grow the medical supply business.”

AdaptHealth intends to fund the transactions and associated costs through a combination of incremental debt and newly-issued equity. The Company has committed financing from its core lender group for an incremental \$240 million add-on to its existing Term Loan A facility. AdaptHealth has also received commitments for equity investments of \$190 million from One Equity Partners (in the form of common stock and non-voting stock) and \$35 million from funds managed by Deerfield Management (in the form of non-voting stock), and is issuing \$62.5 million in common stock to the sellers of Solara, including Linden Capital Partners, as part of the consideration for Solara. The Company expects to fund any remaining amounts from cash on hand or through its current line of credit.

Brad Coppens, Managing Director with One Equity Partners commented, “We strongly believe in the strategic vision and exceptional leadership team at AdaptHealth, and are pleased to have the opportunity to partner with the Company. AdaptHealth is well positioned to be at the forefront of connected care in the home, and we look forward to supporting them in realizing that vision.” Brad Coppens will join the board of AdaptHealth following the closing of One Equity Partners’ equity investment.

“We recognize that these are uncertain times, and we have purposely chosen to fund these transactions with a combination of equity and debt, keeping our leverage profile relatively unchanged,” said Mr. McGee. He added, “The equity investments from One Equity Partners and Deerfield Management are a strong endorsement of our strategy and we are pleased to have their support as we embark on the next phase of growth for AdaptHealth.”

The acquisition and financing transactions have received necessary board approvals and are expected to close in the third quarter of 2020, subject to certain customary closing conditions and regulatory approvals, including expiration or termination of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Deutsche Bank Securities Inc. is acting as the exclusive M&A advisor to AdaptHealth and RBC Capital Markets, LLC is acting as financing advisor. Willkie Farr & Gallagher LLP, Polsinelli PC and K&L Gates LLP are acting as legal advisors to AdaptHealth.

Robert W. Baird & Co. served as Solara’s financial advisor and Kirkland & Ellis LLP served as Solara’s legal counsel in connection with the transaction.

#### **Conference Call and Webcast**

The Company will host an investor conference call at 8:30 am Eastern Time today, May 26, 2020, to discuss the details of this announcement.

The conference call may be accessed by dialing 877-423-9820 or 201-493-6749.

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For reference during the call, the Company will post certain supplemental slides at <http://www.adapthealth.com>

The live call and replay will also be available on the Company's website, [www.adapthealth.com](http://www.adapthealth.com), under "Investor Relations".

#### **About AdaptHealth Corp.**

AdaptHealth Corp. is a leading provider of home healthcare equipment, medical supplies to the home and related services in the United States. AdaptHealth provides a full suite of medical products and solutions designed to help patients manage chronic conditions in the home, adapt to life and thrive. Product and services offerings include (i) sleep therapy equipment, supplies and related services (including CPAP and bi PAP services) to individuals suffering from obstructive sleep apnea, (ii) home medical equipment (HME) to patients discharged from acute care and other facilities, (iii) oxygen and related chronic therapy services in the home, and (iv) other HME medical devices and supplies on behalf of chronically ill patients with diabetes care, wound care, urological, ostomy and nutritional supply needs. The company is proud to partner with an extensive and highly diversified network of referral sources, including acute care hospitals, sleep labs, pulmonologists, skilled nursing facilities, and clinics. AdaptHealth services beneficiaries of Medicare, Medicaid and commercial insurance payors. AdaptHealth services over approximately 1.6 million patients annually in all 50 states through its network of 220 locations in 38 states. Learn more at [www.adapthealth.com](http://www.adapthealth.com).

#### **Forward-Looking Statements**

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#### **Contacts**

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 **adapt**health

# Investor Presentation

May 2020



# Disclaimer

## Disclaimers and Other Important Information

This presentation (this "Presentation") is for informational purposes only and has been prepared to assist interested parties in making their own evaluation with respect to a potential investment in AdapHealth Corp. ("AdapHealth" or the "Company") and for no other purpose. The information contained in this Presentation does not purport to be all inclusive. The data contained herein is derived from various internal and external sources. The information contained in this Presentation is not, and should not be assumed to be, complete and does not present all the information that investors may require or desire in considering an investment in the Company. It is not intended to form the basis of any investment decision or any other decision in respect of the Company. AdapHealth (as well as its respective directors, officers and stockholders) makes, and each of hereby expressly disclaims, any representations or warranties, express or implied, as to the reasonableness of the assumptions made in this Presentation or the accuracy or completeness of any projections or modeling or any other information contained in this Presentation. AdapHealth shall have any liability for any representations, express or implied, contained in, or omissions from, this Presentation or any other written or oral communication communicated to the recipient in the course of the recipient's evaluation of AdapHealth. Nothing contained within this Presentation is or should be relied upon as a promise or representation as to the future. AdapHealth does not assume any obligation to provide the recipient with access to any additional information or to update the information in this Presentation. Investors should not construe the contents of this Presentation, or any prior or subsequent communications from or with the Company or its representatives as investment, legal or tax advice.

No securities commission or securities regulatory authority or other authority in the United States or any other jurisdiction has in any way passed upon the merits of a potential investment in AdapHealth or the accuracy or adequacy of this Presentation.

## Forward Looking Statements

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## Market and Industry Data

Industry and market data used in this Presentation is unaudited and have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. AdapHealth has not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness. This data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. You are cautioned not to give undue weight to such industry and market data.

## Non-GAAP and Other Financial Information

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 ("U.S. GAAP"), including EBITDA, Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex. AdapHealth defines EBITDA as net income (loss) attributable to AdapHealth Corp., plus net income attributable to noncontrolling interests, interest expense (income), income tax expense (benefit), and depreciation. AdapHealth defines Adjusted EBITDA as EBITDA (as defined above), plus loss on extinguishment of debt, equity-based compensation expense, transaction costs, severance, and similar items of expense (income). AdapHealth defines Adjusted EBITDA less Patient Equipment Capex as Adjusted EBITDA (as defined above) less patient equipment acquired during the period without regard to whether the equipment was purchased or financed through lease transactions. EBITDA, Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex should not be considered as measures of financial performance under U.S. GAAP, and the items excluded from EBITDA, Adjusted EBITDA and Adjusted EBITDA less Patient Equipment Capex are significant components in understanding and assessing financial performance. Accordingly, these key business metrics have limitations as an analytical tool. They should not be considered as an alternative to net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of AdapHealth's liquidity.

## No Offer or Solicitation

This Presentation and any oral statements made in connection with this Presentation do not constitute an offer to sell, or a solicitation of an offer to buy, or a recommendation to purchase, any securities in any jurisdiction, or the solicitation of any proxy, vote, consent or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of any securities in any jurisdiction where, or to any person to whom, such offer, solicitation or sale may be unlawful under the laws of such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

# Transaction Summary

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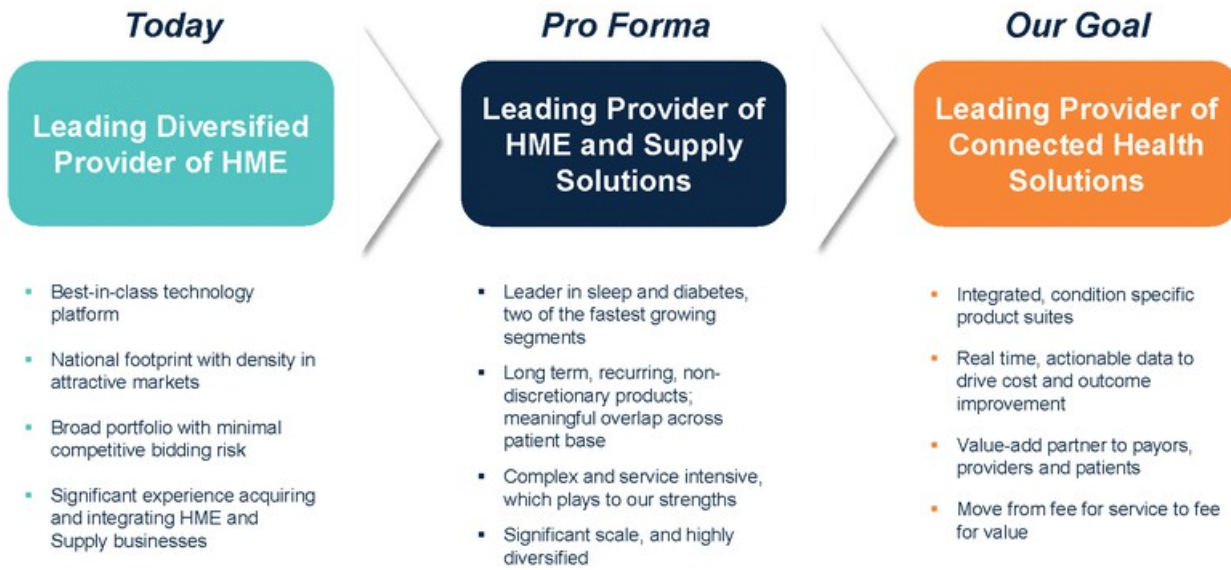
- **AdaptHealth has agreed to acquire two highly strategic and complementary recurring revenue supply businesses that are expected to be significantly accretive to growth, earnings and cash flow**
- **Solara Medical Supplies, LLC (“Solara”)** is the largest independent distributor of continuous glucose monitors (CGMs) and offers a comprehensive suite of diabetes management products
  - Transformative transaction that will establish AdaptHealth as a leader in the fast growing diabetes management vertical
  - Accretive to growth and highly synergistic with AdaptHealth’s sleep therapy business and resupply capabilities
  - Enhances AdaptHealth’s strategic value to payors and advances connected health strategy
  - Successful standalone platform with a best-in-class management team to drive organic and inorganic growth
- **ActivStyle, Inc. (“ActivStyle”)** is a leading DTC distributor of incontinence products and related home medical supplies
  - High quality business that accelerates growth, adds critical mass, and increases synergy capture within AdaptHealth PCS
  - Current ActivStyle CEO will lead a supply division within AdaptHealth PCS
- Existing and new investors and lenders have committed to financing the transactions at attractive terms with a balanced mix of debt and equity
- Funding will support AdaptHealth’s ability to execute on its robust growth pipeline

# Transaction Summary (continued)

Purchase Consideration	<ul style="list-style-type: none"><li>▪ Solara purchase price of \$425 million<ul style="list-style-type: none"><li>▪ \$362.5 million in cash</li><li>▪ \$62.5 million in common stock issued to current owners including Linden Capital Management</li></ul></li><li>▪ ActivStyle purchase price of \$62 million paid in cash</li></ul>
Financing Sources	<ul style="list-style-type: none"><li>▪ Funded with a balanced mix of debt and equity on attractive terms, including commitments from new and existing equity investors and lenders, supporting future growth</li><li>▪ Committed debt financing from core lender group for a \$240 million incremental Term Loan A</li><li>▪ \$287.5 million in equity to be issued at a weighted average price of \$14.18 per share<ul style="list-style-type: none"><li>▪ \$225 million in common and non-voting stock from One Equity Partners and Deerfield Management</li><li>▪ \$62.5 million in common stock issued to Solara owners</li></ul></li></ul>
Financial Highlights	<ul style="list-style-type: none"><li>▪ Expected to be significantly accretive to growth, earnings and cash flow in the first full year</li><li>▪ Transactions expected to contribute Adjusted EBITDA and EBITDA less Patient Equipment Capex of approximately \$60 million and \$55 million, respectively, in 2021<ul style="list-style-type: none"><li>▪ Includes expected run-rate cost synergies of approximately \$7 million</li></ul></li><li>▪ Total Pro Forma LTM net leverage at close of approximately 2.9x<sup>1</sup></li></ul>
Timing	<ul style="list-style-type: none"><li>▪ Expected to close during Q3 2020</li></ul>

<sup>1</sup> Includes full year impact of acquisitions and expected run-rate cost synergies

# Transactions Advance AdaptHealth's Strategic Vision



We enable complex care in the home, and are playing an increasing role in health management

# Compelling Industrial Logic for Acquisitions

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Adds high quality, market leading platform assets, with management talent to further scale these business units



Leans into core competencies – resupply, technology advantages, payors and referral relationships, field sales



Increases exposure to relevant, high-cost categories for payors, with above market growth



Further increase scale and diversify AdaptHealth's revenue stream, with a focus on recurring revenue



Connected devices further our evolution from an HME provider to a chronic care management company



Financially compelling – highly accretive with meaningful synergies

# Solara Overview

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*Leader in diabetes management and the largest independent direct-to-patient distributor of CGMs*

- **\$225mm** est. run-rate Revenue
- **40,000+** active patients
- **300+** employees
- **25+** field sales
- **4** completed acquisitions
- **2002** founded, HQ in Chula Vista, CA

## Market Leader in a High Growth Segment

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Leader in diabetes management and the largest independent direct-to-patient distributor of CGMs

CGM adoption is ramping rapidly, and drives long term, recurring resupply revenue

## Flexible 'One-Stop-Shop' Capabilities

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Comprehensive line of diabetes management supplies; preferred partner to CGM & insulin pump manufacturers

Certified and credentialed to serve patients nationally, through DME or Rx channel (retail or national mail-order)

Diverse and growing referral base, and broad in-network commercial and government payor coverage

## Platform Asset for Growth

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Best-in-class management team that will continue to lead the business post acquisition

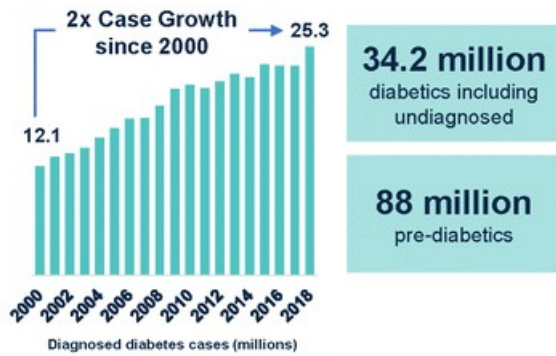
Well invested and scalable platform to support ongoing organic and inorganic growth within Adapt

Highly synergistic with our resupply capabilities and integrates well with our core technology platform

# Diabetes Market Overview

## Diabetes Overview

- Diabetes is the most costly chronic disease in the US, with medical costs and lost productivity reaching \$327 billion annually
- \$1 out of every \$7 healthcare dollars is spent treating diabetes or a complication of the disease
- The number of diagnosed cases has doubled since 2000; approximately 34 million Americans have diabetes, while 88 million have developed prediabetes

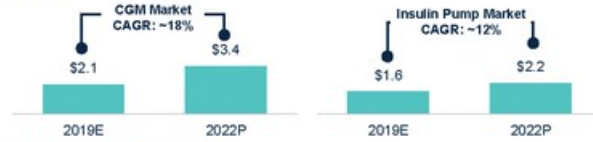


Source: CDC, ADA, Wall Street Research, Solara Management, US Pharmacist

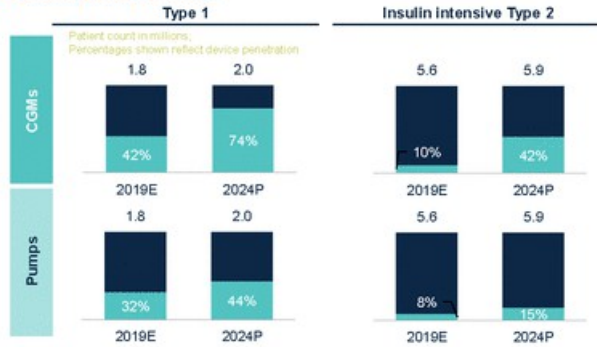
## U.S. Diabetes Device Market

- CGM technology has seen rapid adoption among diabetics due to innovative and easy to use new products and broadening reimbursement

US Diabetes Device Market (in \$bn)



Domestic Device Penetration



# Comprehensive Diabetes Management Portfolio

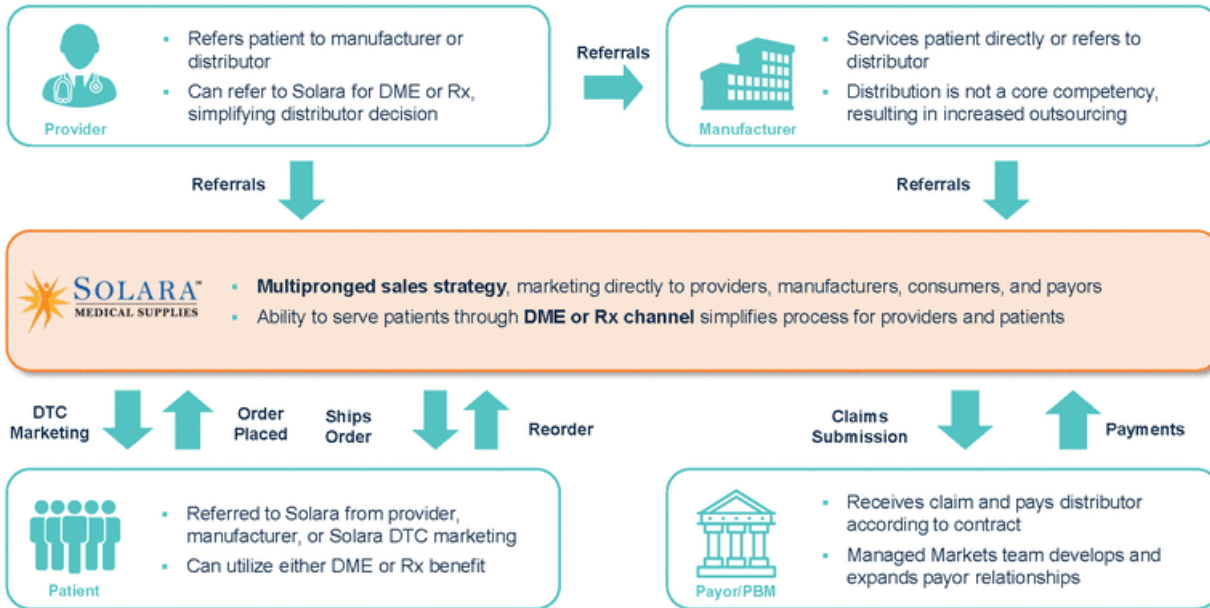
Solara offers a comprehensive suite of options for the effective management of diabetes, including CGMs, pumps, and ancillary supplies from all manufacturers

Category & Representative Products	Description	Top Manufacturers
<p>Continuous Glucose Monitors</p> 	<ul style="list-style-type: none"> <li>Small sensor placed under the skin sends glucose levels to transmitter to monitor and display in real-time</li> <li>Increasingly the standard for effective blood glucose management</li> </ul>	<p><b>Dexcom</b></p> <p><b>Medtronic</b></p> <p><b>Abbott</b></p>
<p>Insulin Pump Therapy</p> 	<ul style="list-style-type: none"> <li>Device delivers small doses of continuous insulin and variable amounts during a meal</li> <li>Excellent alternative to syringes with more precise and dynamic dosing</li> </ul>	<p><b>Insulet Corporation</b></p> <p><b>Medtronic</b> <small>valeritas</small></p> <p><b>TANDEM</b> DIABETES CARE</p>
<p>Other Diabetes Supplies</p> 	<ul style="list-style-type: none"> <li>Includes other supplies like glucose meters, test strips, lancets, syringes, alcohol swabs, adhesives, and pen tip needles</li> </ul>	<p><b>Abbott</b> <b>ACCU-CHEK</b></p> <p><b>LIFESCAN</b></p> <p><b>Roche</b></p> <p><b>smith&amp;nephew</b></p>



# One-Stop-Shop for All Constituents

Solara covers the distribution market from all angles with a comprehensive approach to products, services, and sales strategy



# ActivStyle Overview

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*Leading direct-to-consumer ("DTC")  
supplier of incontinence and urological  
supplies*

- + \$60mm est. Revenue
- + 90%+ recurring Revenue
- + ~65,000 active patients
- + 900+ payor contracts
- + 17 locations, with national distribution
- + 1997 founded, HQ in Minneapolis, MN

## Market Leader in an Attractive Niche

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Leader in DTC incontinence (~80% of revenue) and urological supplies, together a \$3+ billion market

Consumable products for chronically ill patients drives significant recurring revenue

Patient preference for the convenience and discretion of home delivery continues to drive DTC growth

## Purpose-Built DTC Supply Platform

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Comprehensive product offering, including private label, and strong manufacturer relationships

Established brand, successful lead-gen engine, and efficient, technology enabled fulfillment and revenue cycle capabilities

## Highly Synergistic

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Complements and adds critical mass to incontinence and urology business lines acquired in the PCS transaction

Highly synergistic with AdaptHealth's resupply capabilities and integrates well with core technology platform

Best-in-class management team that will continue to lead the business post acquisition

# Acquisitions Directly Aligned with Our Core Strengths

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## Technology Infrastructure

- Leverages current tech infrastructure (e.g. Brightree); enables relatively quick synergizing of complex acquisitions



## Fulfillment Logistics

- CGM is strong fit with our CPAP resupply capabilities and claims processing engine



## Patient Base

- Significant cross sell opportunities identified – many poly-chronic patients



## Payor Relationships

- Contracting advantages and national presence



## Sales Channel

- Broadens the aperture for our referral sources; leverages our 200+ field sales across complementary health system and physician call points



## Data & Analytics

- Additional connected devices enhance our value proposition

# Estimated Long-Term Growth Rates

*Our solutions play an important role in managing these chronic diseases in home*

Chronic Disease	Healthcare and Lost Productivity Costs (\$bn)	AdaptHealth Product	Product Line	PF 2019 Net Revenue less BD	Estimated Long-Term Growth Rates
(in \$bn)			(in \$mm)		
Diabetes	\$327	CGM, Insulin Pumps, Test Strips	Respiratory	\$128	3.0 – 5.0%
Heart Disease & Stroke	\$322	Oxygen, Supplies	Sleep	340	7.0 – 9.0%
Obstructive Sleep Apnea	\$150	CPAP, BiPAP	HME	111	2.0 – 4.0%
Obesity	\$147	PAP, Mobility, Supplies	Diabetes	189	10.0 – 12.0%
COPD	\$49	Oxygen, NIV	Other Supply	248	2.0 – 4.0%
			<b>Total</b>	<b>\$1,016</b>	<b>5.0 – 7.0%</b>

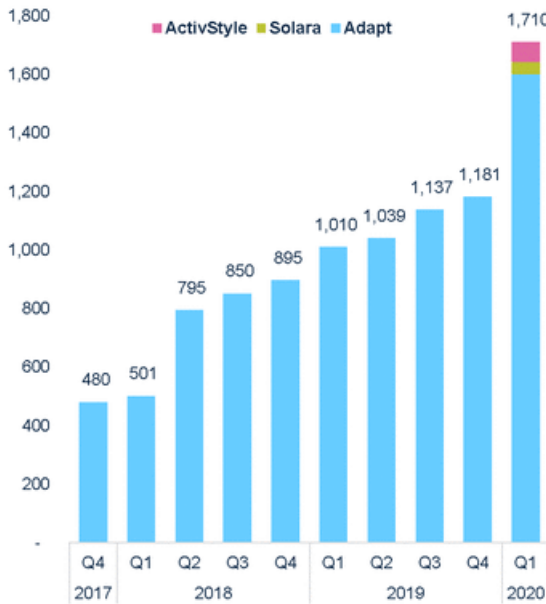
Adapt distributes products and provides services to patients with high-cost, chronic diseases

Assuming 1-2% share capture, potential to grow at 7-10% organically

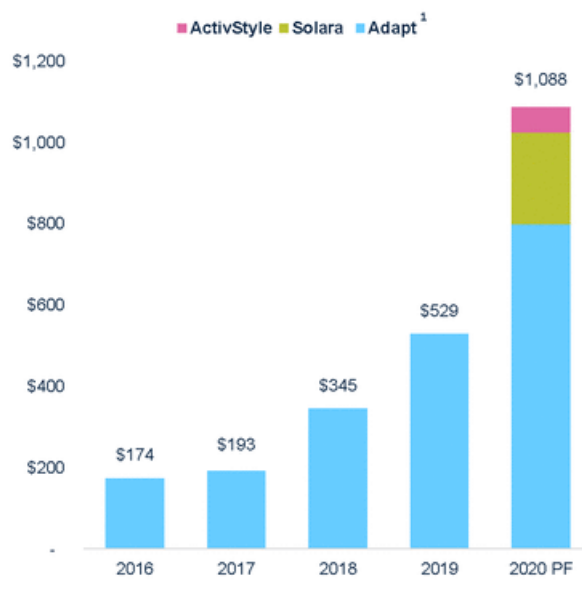
Source: American Diabetes Association, CDC, American Association of Sleep Medicine

# High Value Solutions that Enhance Our Scale

LTM Pro Forma Unique Patients Served (in thousands)

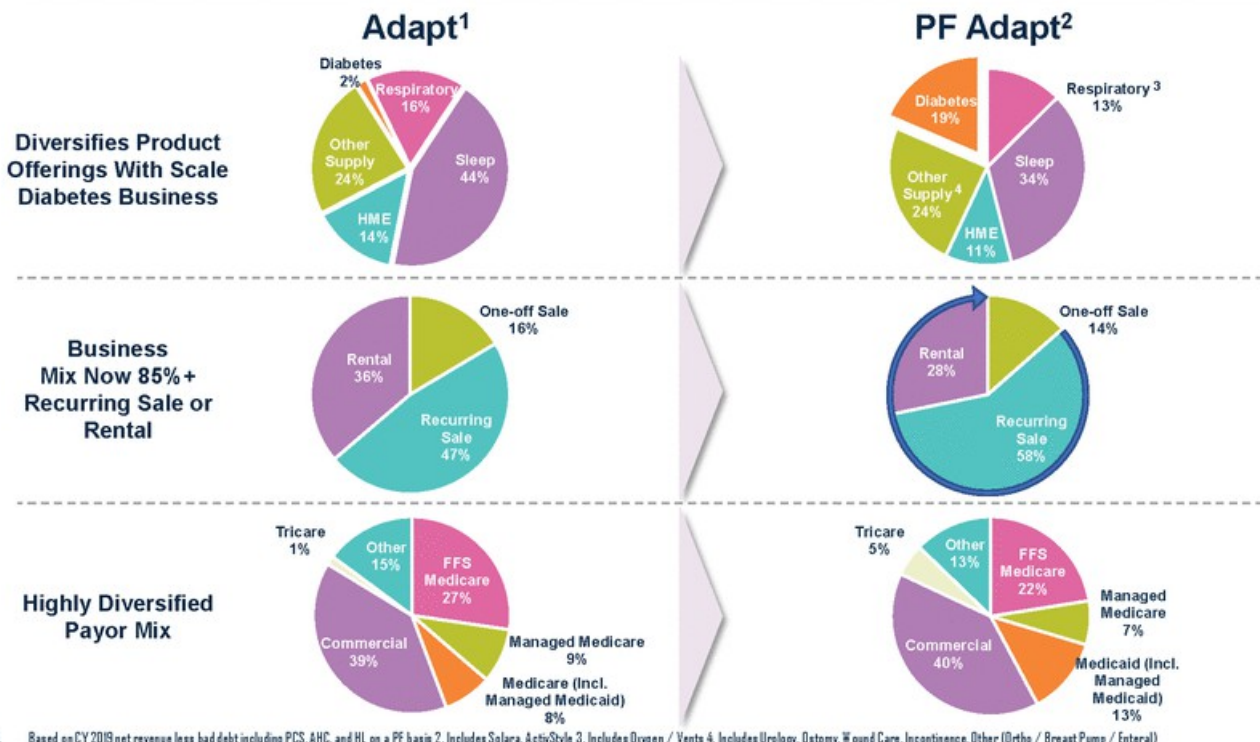


Revenue (\$ in millions)



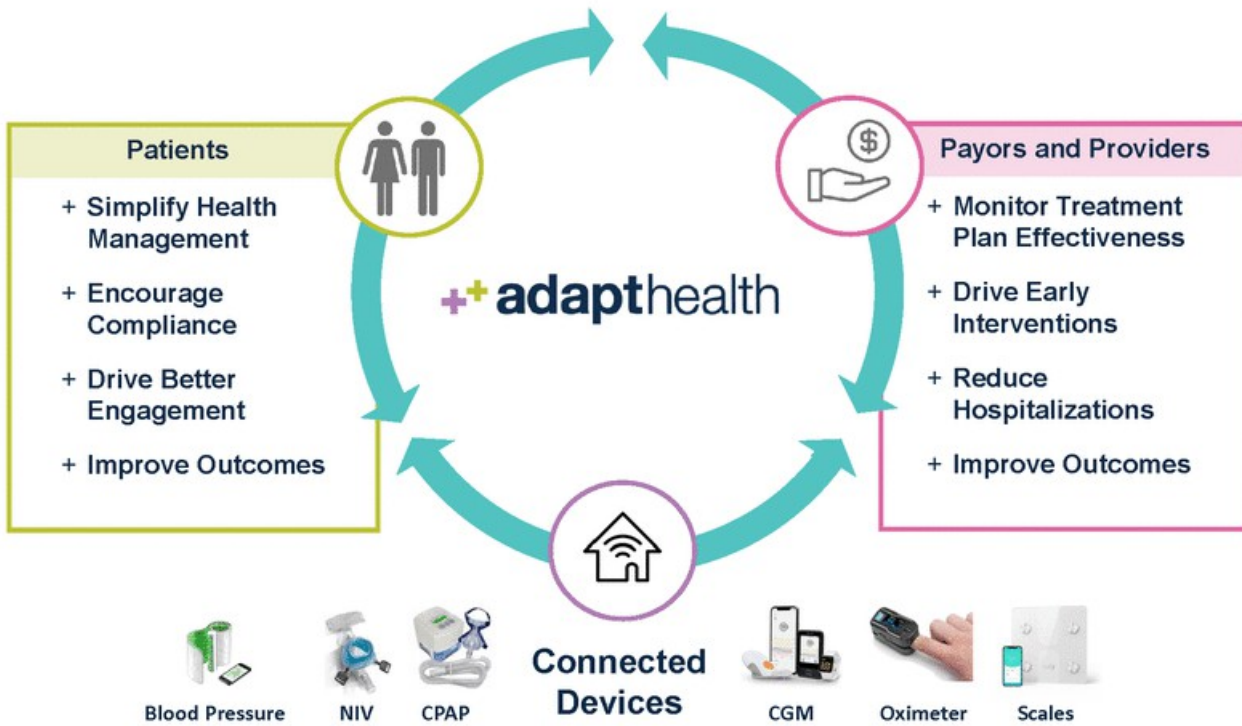
1. Based on midpoint of 2020E management guidance presented during Q1 2020 earnings call

# Pro Forma Adapt is Significantly Diversified



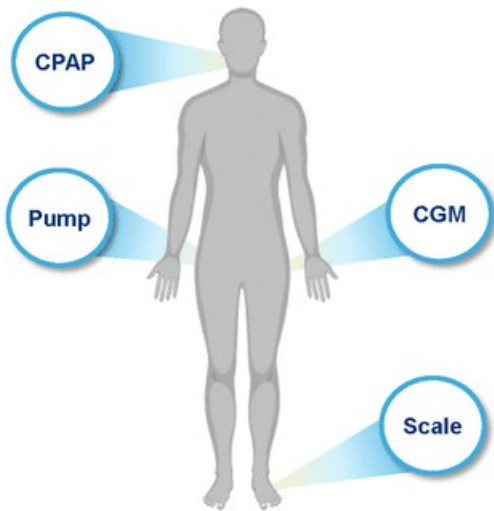
1. Based on CY 2019 net revenue less bad debt including PCS, AHC, and HL on a PF basis 2. Includes Solara, ActiStyle 3. Includes Oxygen / Vents 4. Includes Urology, Ostomy, Wound Care, Incontinence, Other (Ortho / Breast Pump / Enteral)

# Positioned to Lead the Shift to Connected Healthcare



# Case Study: Diabetic Patient on CGM and Sleep Therapy

## Illustrative Diabetic Patient Needs



## AdaptHealth Platform

- +** Allows the Company to monitor:
  - Real-time insulin levels
  - Real-time information on sleep quality
  - Weight fluctuation
- +** Patient data can be compared to a baseline and used to:
  - Measure the effectiveness of social and clinical interventions (i.e. diet, weight loss and the impact of that on sleep and insulin levels)
  - Identify risks that may require clinical intervention

We estimate that a meaningful amount of our PAP patients may be a Type 1 or Type 2 diabetic



# Appendix



# Transaction Details

## Sources and Uses of Funds

(in \$mm)		
Sources	Incremental TLA	\$240
	One Equity Investment	\$190
	Deerfield Investment	\$35
	Solara Shareholder Equity	\$63
	<b>Total Sources</b>	<b>\$528</b>

## Pro Forma FDSO Calculation

(in mm)	
Standalone FDSO <sup>1</sup>	77.8
One Equity Partners Shares	13.8
Incremental Deerfield Shares	2.5
Solara Shares	3.9
<b>Total PF FDSO<sup>1</sup></b>	<b>98.1</b>

Uses	Purchase of Solara	\$425
	Purchase of ActivStyle	\$62
	Est. fees, OID, and other exp.	\$12
	Cash to Balance Sheet	\$29
	<b>Total Uses</b>	<b>\$528</b>

1. Calculated using Treasury Stock Method for outstanding warrants and options. Share price of \$16.65 as of 5/22/20. Excludes the impact of any earnouts

# Equity Investment Terms

	One Equity Partners	Deerfield Mgmt.	Solara Shareholders	Total
<b>Investment Amount</b>	\$190.0 million	\$35.0 million	\$62.5 million	\$287.5 million
<b>Form of Equity</b>	Common Stock and Non-Voting Stock	Non-Voting Stock	Common Stock	
<b>Price Per Share</b>	\$13.75	\$13.75	\$16.00	\$14.18 <sup>4</sup>
<b>Premium / (Discount) to 30 Day VWAP<sup>1</sup></b>	(13.8%)	(13.8%)	0.3%	(11.1%)
<b>Shares Issued</b>	13.8mm	2.5mm	3.9mm	20.3mm
<b>Percentage of Pro Forma FDSO<sup>2</sup></b>	14.1%	2.6%	4.0%	
<b>Governance</b>	One board seat	No change	None	
<b>Other terms<sup>3</sup></b>	Company has option to reduce investment amount by up to \$50 million with proceeds from an equity offering pre-closing	N/A	N/A	

1. As of 5/22/20

2. Pro forma FDSO (98.1mm) is equal to current FDSO (77.8mm) as of 5/1/20 + One Equity Partners Shares (13.8mm) + Deerfield Management Shares (2.5mm) + Solara Shareholder Shares (3.9mm). Current FDSO assumes treasury stock method for outstanding warrants and options. Share price of \$16.65 as of 5/22/20. Excludes the impact of any earnouts. For Deerfield reflects only newly issued shares

3. Common shares issued will have customary rights and lock-ups

4. Weighted average

Thank You

