

EMPOWERING HUMAN POTENTIAL



# Hanger Investor Presentation

May 2022



# Cautionary Note

## Forward Looking Statements

This presentation contains statements that are forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include information concerning our liquidity and our possible or assumed future results of operations, including descriptions of our business strategies. These statements often include words such as “believe,” “expect,” “project,” “potential,” “anticipate,” “intend,” “plan,” “estimate,” “seek,” “will,” “may,” “would,” “should,” “could,” “forecasts” or similar words. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. We believe these assumptions are reasonable, but you should understand that these statements are not guarantees of performance or results, and our actual results could differ materially from those expressed in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent releases or reports. These statements involve risks, estimates, assumptions, and uncertainties that could cause actual results to differ materially from those expressed in these statements and elsewhere in this release. These uncertainties include, but are not limited to, the financial and business impacts of COVID-19 on our operations and the operations of our customers, suppliers, governmental and private payers and others in the healthcare industry and beyond; federal laws governing the health care industry; governmental policies affecting O&P operations, including with respect to reimbursement; failure to successfully implement a new enterprise resource planning system or other disruptions to information technology systems; the inability to successfully execute our acquisition strategy, including integration of recently acquired O&P clinics into our existing business; changes in the demand for our O&P products and services, including additional competition in the O&P services market; disruptions to our supply chain; our ability to enter into and derive benefits from managed-care contracts; our ability to successfully attract and retain qualified O&P clinicians; labor shortages and increased turnover in our employee base; contractual, inflationary and other general cost increases, including with regard to costs of labor, raw materials and freight; and other risks and uncertainties generally affecting the health care industry. For additional information and risk factors that could affect the Company, see its Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the three months ended March 31, 2022, each as filed with the Securities and Exchange Commission. The information contained in this presentation is made only as of the date hereof, even if subsequently made available by the Company on its website or otherwise.

**Note Regarding the Presentation of non-GAAP Financial Measures:** This presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the federal Securities Exchange Act of 1934. Non-GAAP measures include Adjusted EBITDA, Adjusted EBITDA Margin, adjusted earnings per share, leverage ratios, free cash flow. As required under Regulation G, Reconciliations of GAAP and non-GAAP financial results are included in schedules at the Appendix. These schedules reconcile the non-GAAP financial measures included in this presentation to the most direct comparable financial measure under generally-accepted accounting principles in the United States. The non-GAAP measures contained herein are used by the Company’s management to analyze the Company’s business results and are provided for informational and analytical context.

# Agenda

- **Company Overview**
- **The Orthotics and Prosthetics Market**
- **Patient Care Segment**
- **Products and Services Segment**
- **Financial Performance**

# Company Overview

# Hanger

## At A Glance

### WHO WE ARE

- Industry leader in orthotics & prosthetics services
- \$4.3 billion<sup>1</sup> addressable O&P domestic U.S. market
- Pioneered prosthetic devices in 1861
- Focus on custom devices

### BY THE NUMBERS

- Net Revenue<sup>2</sup> \$1.12 billion
- Two segments<sup>2</sup>:
  - Patient Care (84.2%)
  - Products & Services (15.8%)
- Adjusted EBITDA<sup>2,3</sup> \$118.9 million
- 5,200 FTEs (12.31.21)
- 875 clinic & satellite locations in 47 states, D.C. and US Virgin Islands (3.31.22)

<sup>1</sup>Source: Hanger Inc. estimates.

<sup>2</sup>TTM 12.31.21

<sup>3</sup>Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.



# Hanger

## Values, Vision and Purpose



### OUR VALUES

Patient-focused, integrity, outcomes, collaboration, innovation – are the heartbeat of a cultural evolution that places our patients at the core of everything we do



### OUR VISION

To lead the orthotic and prosthetic markets by providing superior patient care, outcomes, services and value



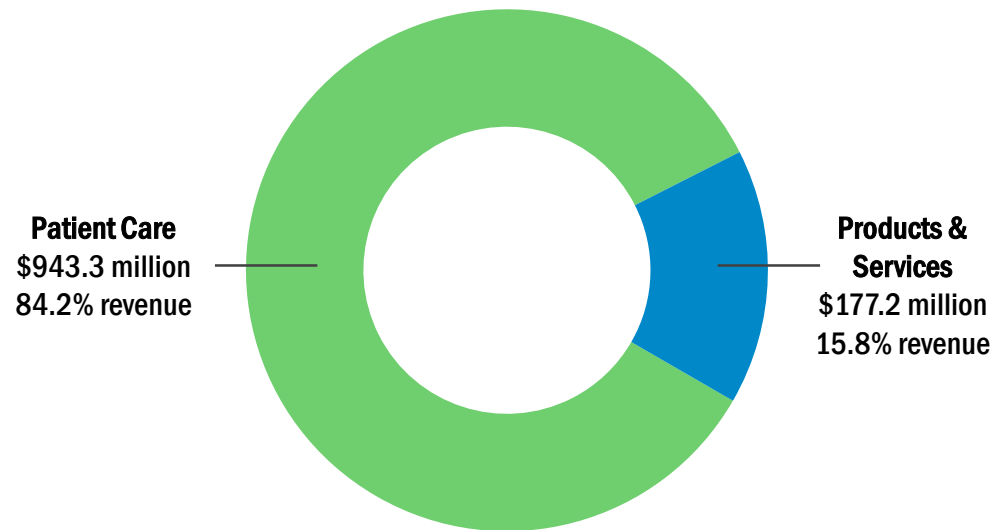
### OUR PURPOSE

Empowering Human Potential Together

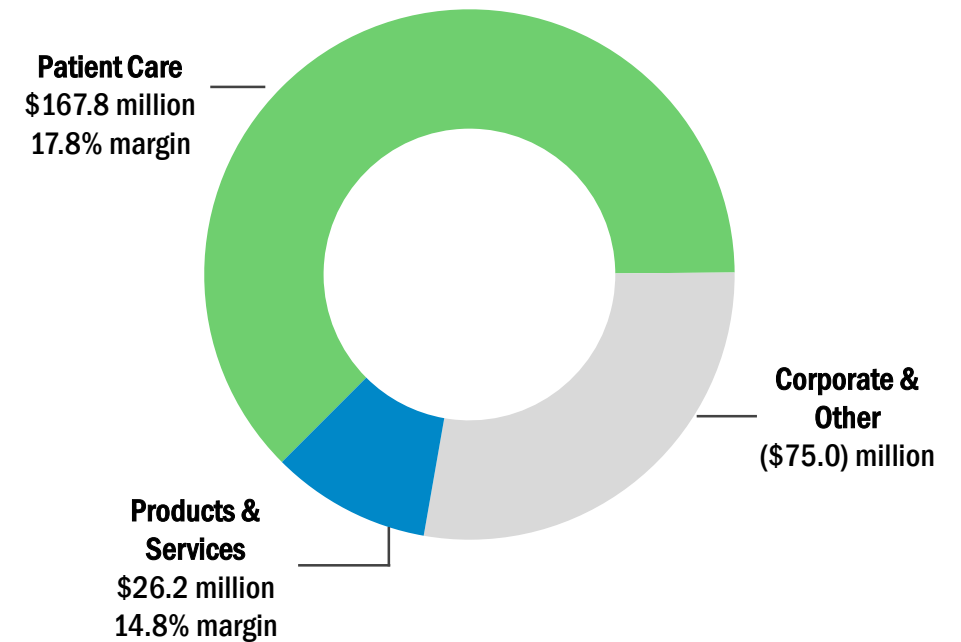
# Business Mix

Primary Focus on Providing Specialty Patient Care

2021A Net Revenue  
\$1.12 BILLION



2021A Adjusted EBITDA<sup>1</sup>  
\$118.9 MILLION – 10.6% EBITDA MARGIN



<sup>1</sup> Adjusted EBITDA is a non GAAP-measure. Adjusted EBITDA is burdened by public company costs. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.

# Investment Thesis

## Industry Leader Building Sustainable Competitive Advantage

1

### MARKET LEADER

The leading provider of orthotic and prosthetic services in the United States

Provides approximately **24% of all O&P services** in the United States

2

### SIZEABLE MARKET

**\$4.3 billion** market for prescription prostheses, orthoses and prefabricated or off-the-shelf orthoses

**Broad demand drivers** across injuries and multiple, high prevalence disease etiologies

3

### DIFFERENTIATORS

**Competitive differentiation through investments** in clinical outcomes, centralized revenue cycle management, patient engagement and supply chain to drive growth

4

### GROWTH LEVERS

**Multi-tier strategy** to grow organically, steadily expand margins and pursue M&A to drive incremental growth opportunities

Premier scalable provider in a large market for specialized healthcare services



# The Orthotics and Prosthetics Market



# Prosthetics

Approximately 55% of Patient Care Revenue

- Prosthetic devices replace a missing limb or portion of a limb
- Provided to patients with amputated or congenitally absent limbs to replace the function and appearance of a limb
- Hanger clinicians are recognized for their skill and focus on providing high value customized prosthetics designed to meet the unique characteristics of the patient and their residual limb
- Prostheses have a replacement cycle averaging 3-5 years

Note: Percentage based on Patient Care segment net revenue for year ended 12.31.21, on a same clinic basis.

# Orthotics

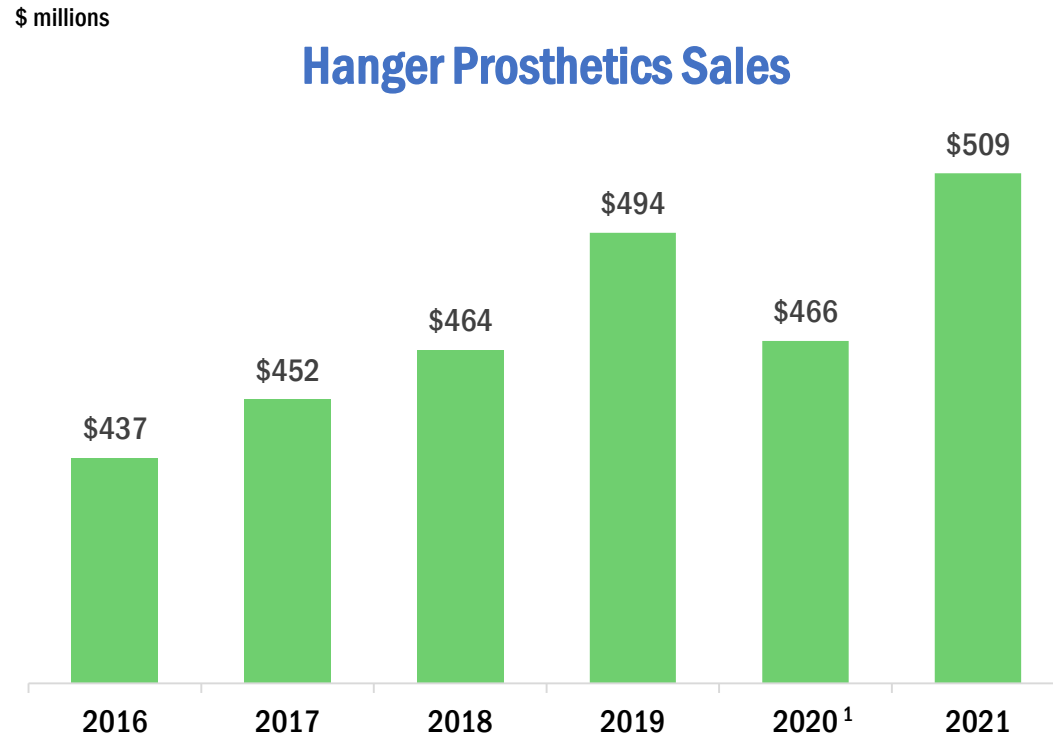
Approximately 45% of Patient Care Revenue

- Orthotic devices modify the structural and functional characteristics of the neuromuscular and skeletal system
- Prescribed for injuries, musculoskeletal, neurological or orthopedic disorders
- Hanger Clinicians are recognized for their care in evaluating, measuring, fabricating and adjusting custom orthotic devices to meet the specific medical needs of their patients



# Prosthetics: Hanger Leads a Growing Market

Approximately 500,000 People Living with Major Limb Loss in the U.S.



- Approximately 350,000 people with major limb loss utilize a prosthesis
- Over 90% are lower extremity
- Traumatic amputations tend to have a positive long-term prognosis
- Typically have a 3-5 year replacement cycle (70% recurring revenue)<sup>2</sup>
- Prosthetics total approximately 50% of the prescription O&P market<sup>2</sup>
- Resilient demand during COVID-19

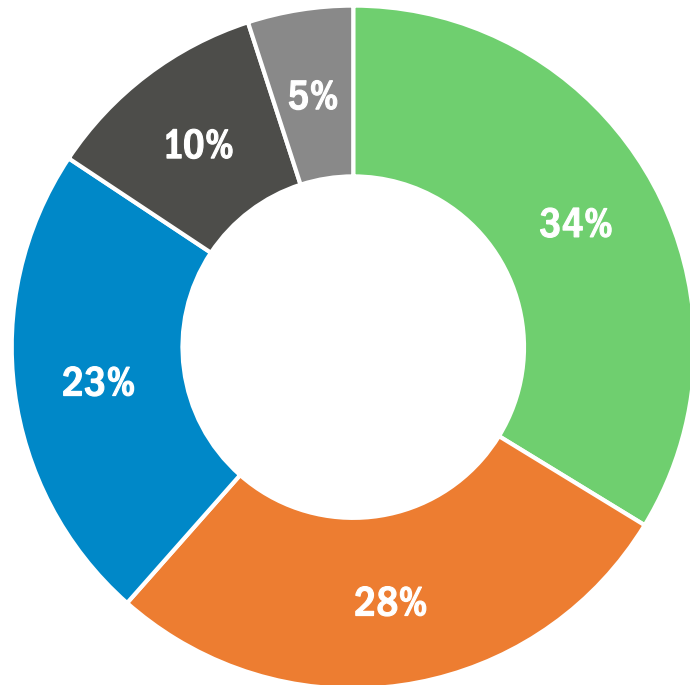
Note: Net revenue includes acquisitions.

<sup>1</sup> 2020 includes COVID-19 affected periods.

<sup>2</sup> Hanger estimates.

# O&P Market: \$4.3 billion

## Market Demand Driven By Diverse Disease Mix



- **Injuries**  
 Approximately 76,000 major amputations per year, 5-10% of which are due to injury. +\$1 billion spent on prosthetics secondary to injury
- **Endocrine & Circulatory**  
 Endocrine and circulatory disorders drive the majority of major amputations. Mix of prosthetics and orthotics
- **Musculoskeletal Disease**  
 Arthritis, spinal and foot disease requiring braces, boots and supports. Orthotics-only market
- **Other**  
 Congenital, cancer and acute infections. May require prosthetics (i.e. congenital limb difference) or orthotics (i.e. cranial orthosis for plagiocephaly)
- **Nervous System**  
 795,000 strokes per year – 75% occur in people +65, cerebral palsy, multiple sclerosis. Ankle-foot orthosis, braces

Addressable market currently growing at 2.0-2.5% annually (price and volume)

Source: Hanger Estimates

Note: "Major amputation" refers to a lower extremity, above or below the knee and upper limb, or combination thereof.

# Patient Care Segment

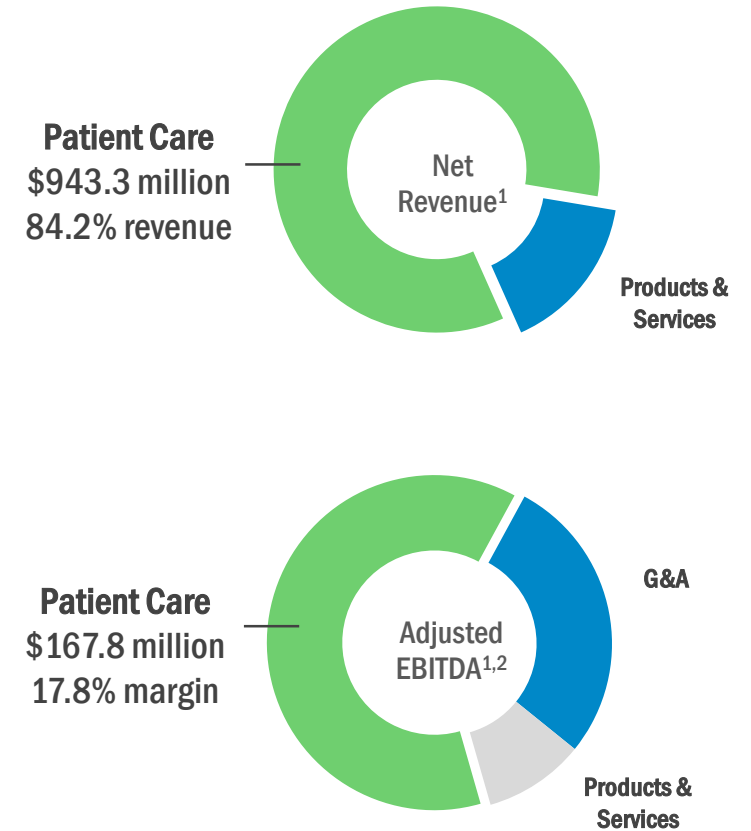
# Patient Care Segment

## Building Sustainable Advantages in a Fragmented Industry

- National network and market leadership
- Unique ability to measure and improve patient outcomes
- Driving patient engagement, connectivity and satisfaction
- Optimizing reimbursement through centralized revenue cycle management
- Enhancing productivity and efficiency through an enterprise supply chain

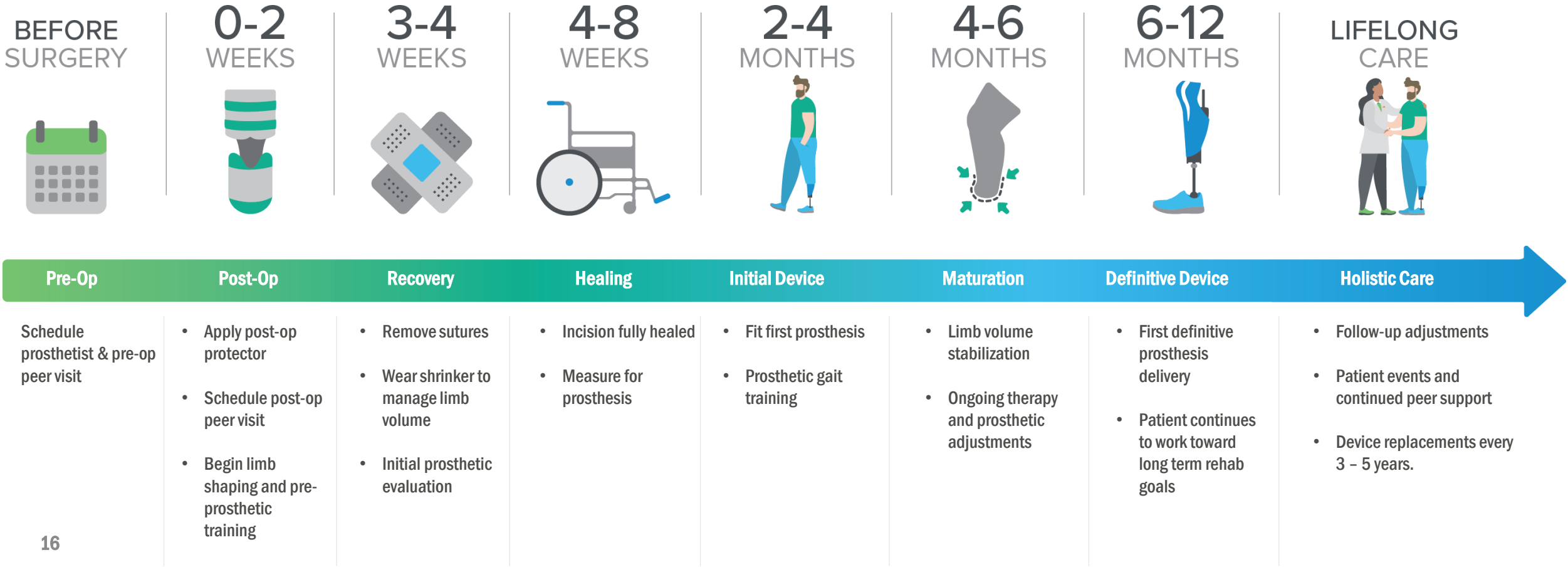
<sup>1</sup>TTM 12.31.21

<sup>2</sup>Adjusted EBITDA is a non GAAP measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.



# General Lower Extremity Patient Rehab Timeline

Hanger provides comprehensive patient care for a lifetime

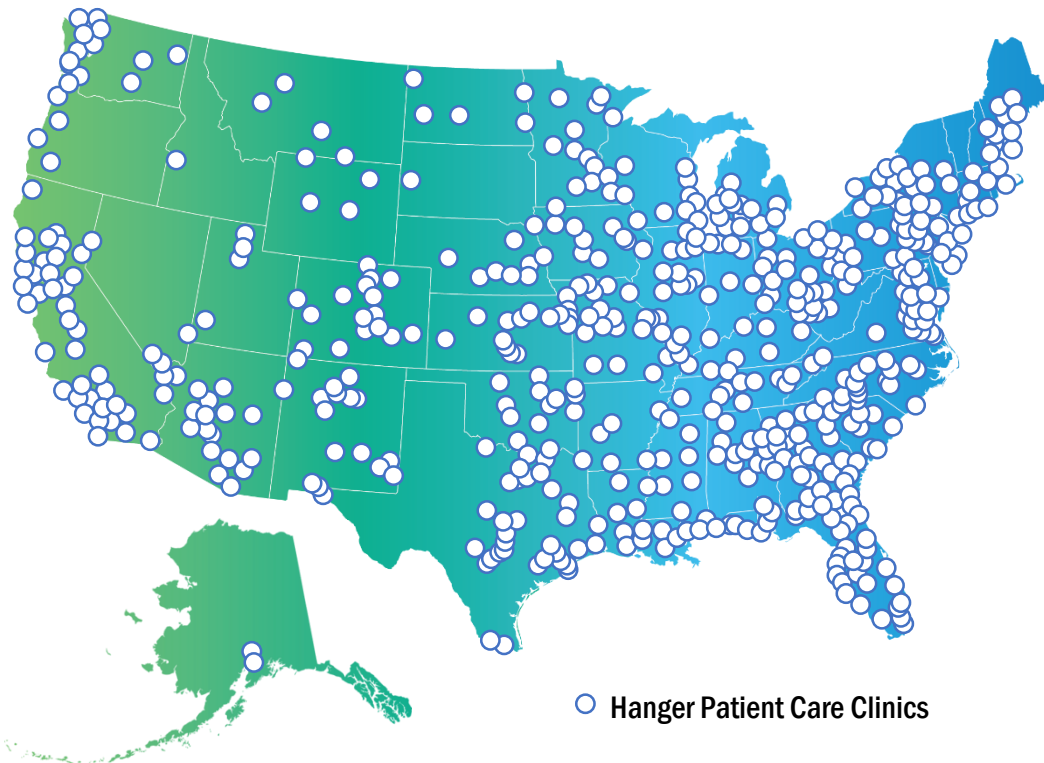


Note: Example timeline for a new amputee reflects a general rehabilitation for a lower extremity vascular amputation patient, actual experiences vary. Replacement device on average is approximately 45-60 days replacement cycle.



# Scale as a Competitive Advantage

## National Network Brings Hanger Closer to the Community



**1,660 CLINICIANS**

Hanger employs over 24% of the board certified O&P clinicians in the U.S.

Competitors are spread out in small local practitioner settings



**875 PATIENT CARE LOCATIONS**

Operating in 47 states and D.C., Hanger is the only nationwide O&P provider, which positions it well with payors and health plans as accountable care emerges



**2 MILLION ANNUAL PATIENT ENCOUNTERS**

Hanger has the highest volume of O&P patients as compared with any provider

Over 120,000 individual patient outcomes studied by clinical research team to drive medical best practices

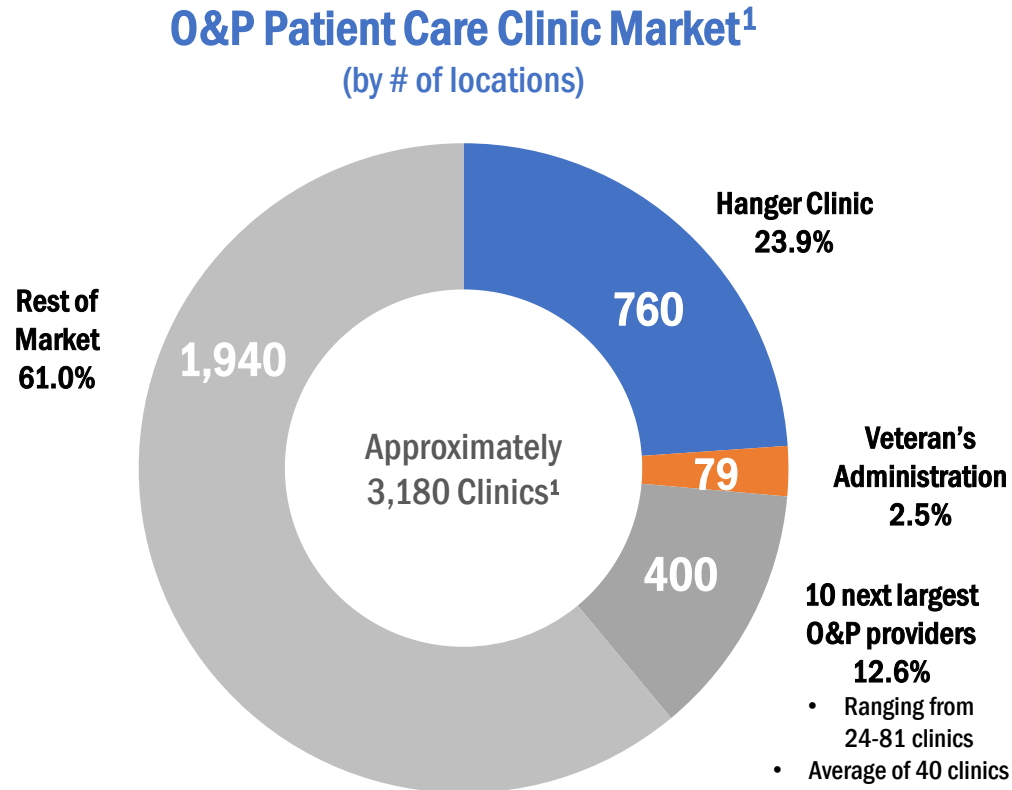


**NATIONWIDE NETWORK**

Hanger's broad provider footprint allows for a healthy diversity of payor and referral sources

Geographic diversity insulates Hanger from local or market specific challenges

# Market Leader in a Highly Fragmented Industry



- Hanger is the largest O&P provider in the nation
- Hanger currently operates 875 patient care locations nationally
  - 760 patient care clinics
  - 115 satellite locations
- 24% of O&P clinics in the nation
- Next largest at 2.5%
- Rest of market is comprised of diverse small, relatively unsophisticated providers

# Patient Engagement & Connectivity Delivering Superior Patient Satisfaction and Outcomes

Strategic initiatives that engage and connect our community, measure and improve patient satisfaction, driving growth



Clinician and peer visitors



Outcomes, patient satisfaction and quality life tracked and reported at the patient and referral source level



Patient events designed to support mobility and utilization of devices



Comprehensive social media programs including patient and clinician stories as well as community outreach



*Industry  
Average NPS:  
58*



<sup>1</sup> Net promoter score as of 12.31.21.

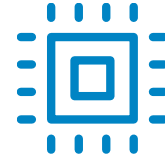
# Clinical Focus on Patient Outcomes

## Implementing Clinical Care Standards and Demonstrating Value



### CLINICAL TEAM AND SENIOR LEADERSHIP

- Chief Clinical Officer and clinical leadership group
- 1,660 certified/licensed clinicians
- 500 technicians and assistants
- Comprehensive outcomes programs



### TECHNOLOGY AND PROCESS

- Enterprise-wide electronic health record captures more O&P clinical outcomes than any other source
- Implementing a patient portal



### OUTCOMES, RESEARCH AND EDUCATION

- Proprietary access to and use of unparalleled patient clinical data due to Hanger's substantial comparative size and systems
- Collaborations with leading clinical and academic institutions
- MAAT<sup>1</sup>, IMPACT<sup>2</sup> and OASIS<sup>3</sup> studies
- Hanger LIVE annual conference

In 2021 established the Hanger Institute for Clinical Research and Education to aggregate and coordinate resources across the healthcare continuum

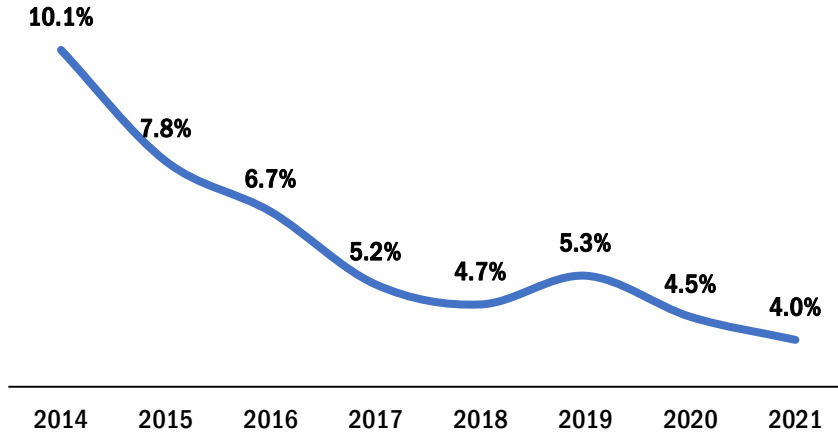
<sup>1</sup> Mobility Analyses of Amputees.

<sup>2</sup> International Mission for Prognosis and Clinical Trial.

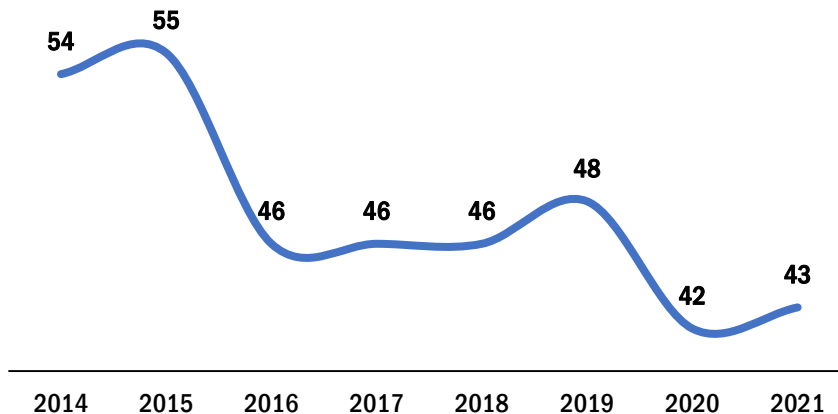
<sup>3</sup> Outcome and Assessment Information Set.

# Revenue Cycle Management (RCM)

### Industry-Leading Disallowance Rate



### Historical Days Sales Outstanding



- Highly custom nature of O&P devices requires significant patient assessment, referral documentation, eligibility evaluation, preauthorization, coding and billing discipline, and timely denial management
- Hanger leads the industry in:
  - Favorable disallowance rates of 4.0% versus an industry average of 6.0% to 8.0% result in stronger financial performance
  - Days Sales Outstanding ~40 days versus >50 days for a typical independent O&P provider
- Superior performance is achieved through use of a sophisticated and compartmentalized central RCM
  - Relieves individual clinicians and local clinic staff of significant administrative burden

# Leading O&P Procurement and Supply Chain Capabilities



**Alpharetta Distribution Center**

- Due to its direct market presence, coupled with its distribution business through SPS, Hanger has broad diversification of suppliers, and industry-leading discounts
- Hanger has made significant investments in the past two years in its internal supply chain function, which have resulted in:
  - Construction of a new state of the art facility in Alpharetta, GA utilizing a cloud-based warehouse management system
  - Significant process improvements in shipment coordination, coupled with reductions in freight costs
  - Reduction in the number of its Distribution Centers from five to two (Alpharetta, GA and Reno, NV)
  - Reconfiguration of its central fabrication laboratories
  - New supply chain executive leadership

# Products and Services Segment

# Products and Services

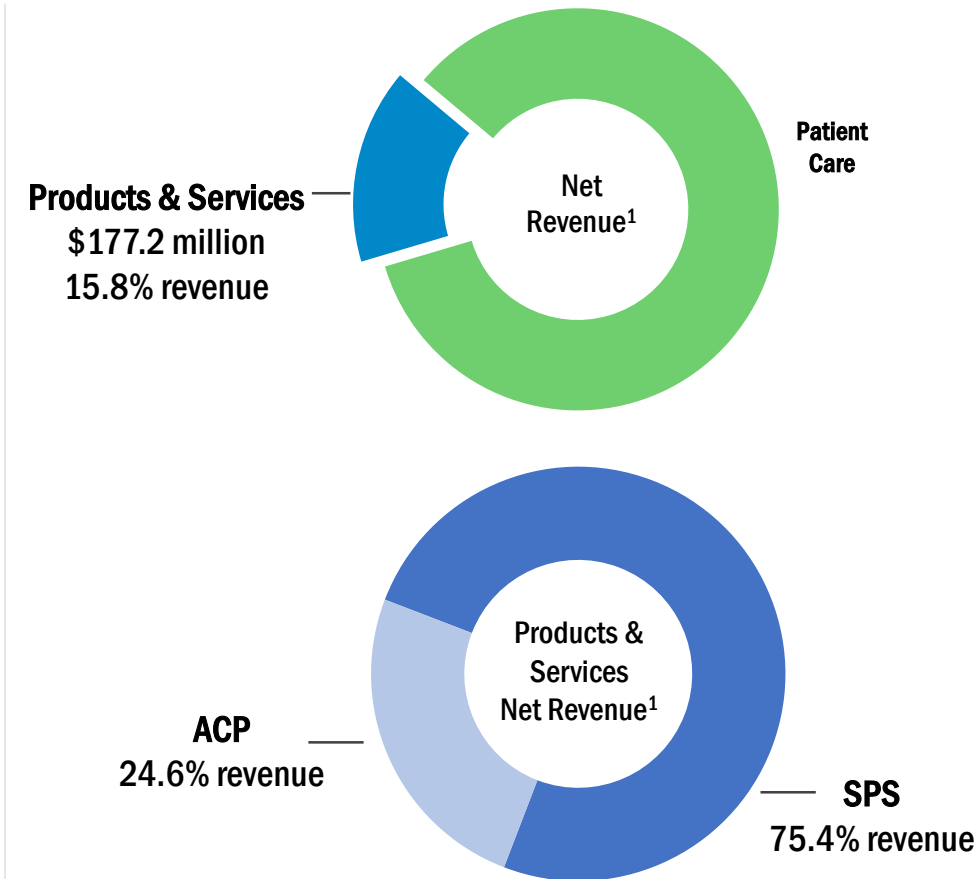
## Complementary Segment Enhancing Hanger's Position as the Backbone to the O&P Market

**Southern Prosthetic Supply (SPS):** Largest distributor of O&P componentry to independent providers

- One-stop O&P industry destination with access to over 350,000<sup>2</sup> SKUs of O&P components and related devices across more than 750 suppliers
- Leverages Hanger's market leading position to further enhance its purchasing power with manufacturers
- Serves as a key vehicle for Hanger to gain further insight into industry trends and to develop relationships with independent providers
- Driving long term growth by adding manufacturers and componentry selections

**Accelerated Care Plus (ACP):** Therapeutic solutions for skilled nursing facilities (SNFs)

- Innovative rehabilitative technologies and clinical programs sold to SNFs predominantly on subscription model basis
- Investments in portfolio, connectivity and administrative efficiency of work flow have been made to reposition value equation



<sup>1</sup>TTM 12.31.21.

<sup>2</sup>SKU count as of 12.31.21.



# Financial Performance

# Attractive Growth Model Through Organic Business Expansion and Continued Market Consolidation



## DRIVE ORGANIC REVENUE GROWTH

**Exceed industry growth rate of 2.0-2.5%**



Increase referral volumes through differentiation



Focus on high-value custom O&P



Capitalize on base of strong prosthetic growth



Implement new delivery strategies for lower margin orthotic categories



## SELECT, IN-MARKET ACQUISITIONS

**Disciplined approach to O&P acquisitions**



Focus on synergistic geographies and specialties



Seek good cultural fit



Ensure valuations are accretive



Fully integrate into centralized infrastructure

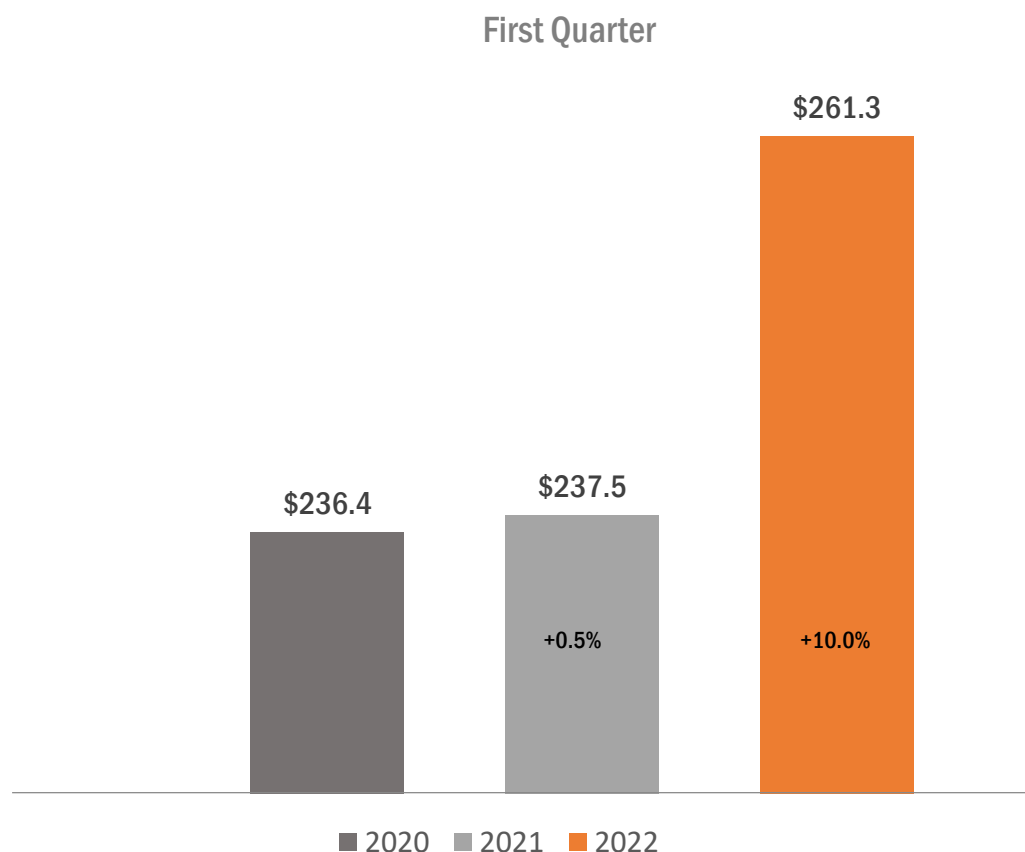


Strong M&A team and industry relationships drive pipeline

# Financial Results

## First Quarter Revenue Performance

\$ millions



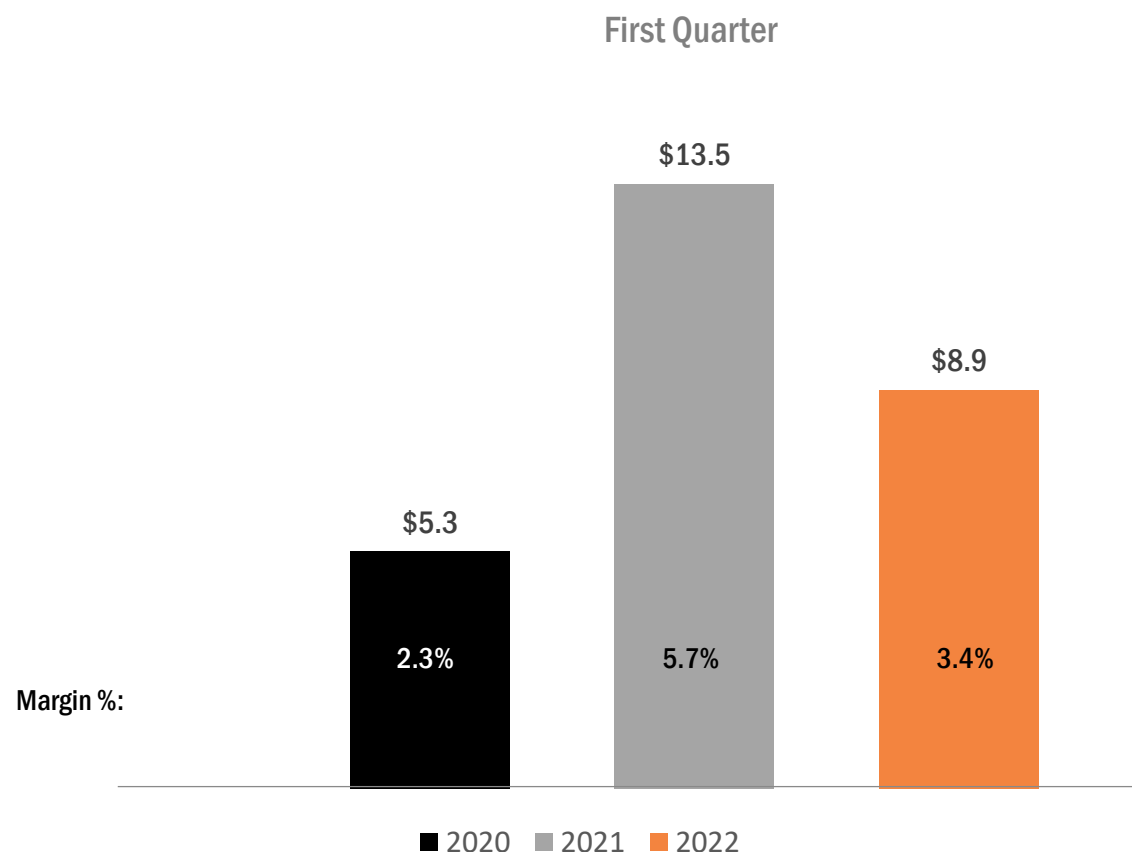
Effects of Omicron in early part of quarter were overcome as Company attained 10% growth

- **Patient Care Segment:**
  - Q1 2022 net revenue of \$219.8 million, which reflected growth of \$24.1 million or 12.3%, compared to same period in 2021.
  - Net same clinic revenue on a day-adjusted basis grew 6.9% during Q1 2022.
- **Disallowed Revenue and Patient Non-Payment Rates:** Rate was 4.4% of adjusted gross revenue in 2022, compared to 2.9% and 4.9% reported in 2021 and 2020 respectively.
  - Q1 2022 was unusually low, potentially due to COVID related factors.
- **Products and Services Segment:**
  - Q1 2022 revenue of \$41.5 million, a 0.8% decrease compared to Q1 2021.

# Financial Results

## First Quarter Adjusted EBITDA<sup>1</sup> Performance

\$ millions



Volatile Q1 earnings affected by transitory items in the quarter

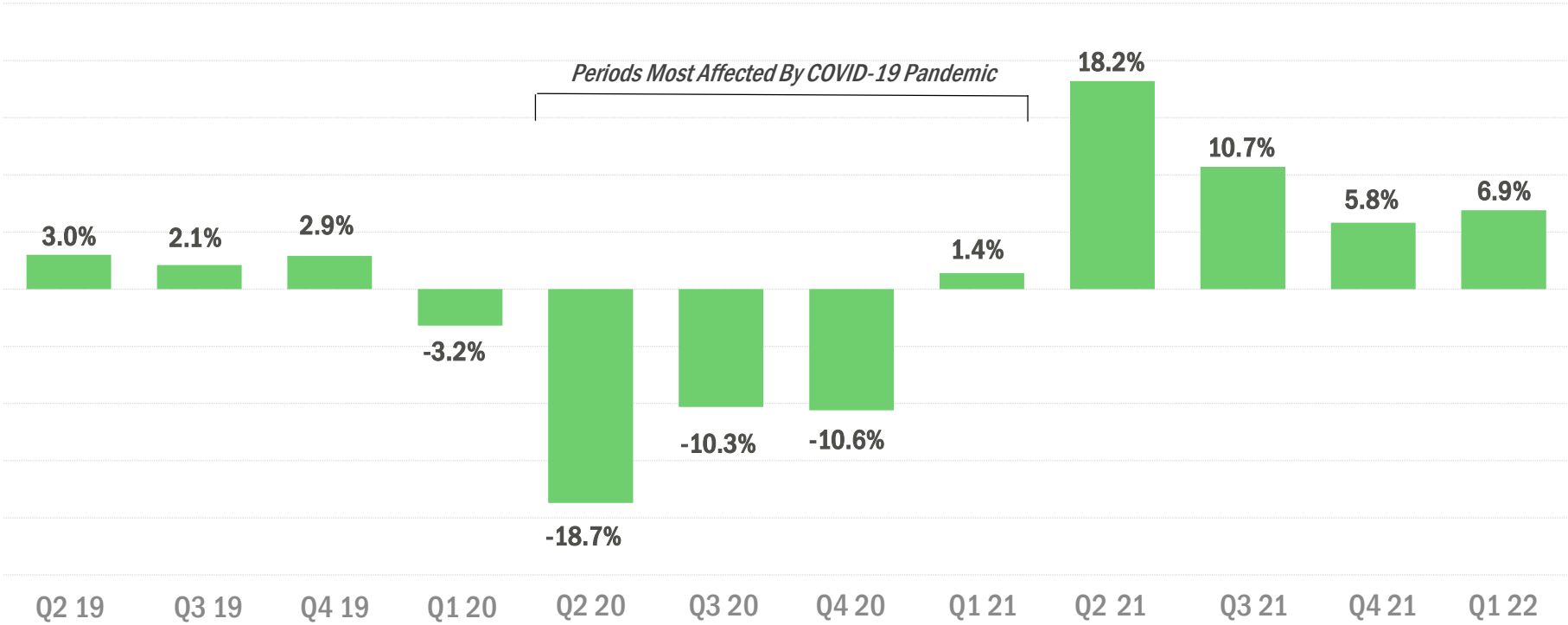
- **Patient Care Segment:**
  - **Transitory Items:**
    - Swing from favorable disallowance rate in Q1 2021: \$3.5 million
    - Use of third party fabrication providers: \$900 thousand
  - Absent the transitory items and the acquisition effects on the comparative periods, underlying margin in Q1 2022 was the same as margin in Q1 2021.
- In recent years, Q1 Adjusted EBITDA as a percentage of the total year has ranged from 5.0% to 10.0% of full year results.

<sup>1</sup>Adjusted EBITDA is a non-GAAP measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.

# Same Clinic Rate of Growth

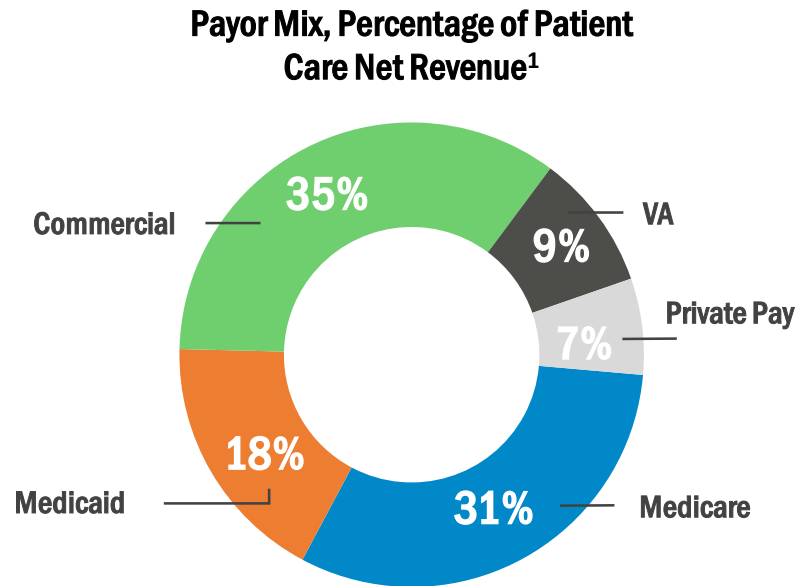
## Net Revenue on Per Day Basis

Quarterly % Change

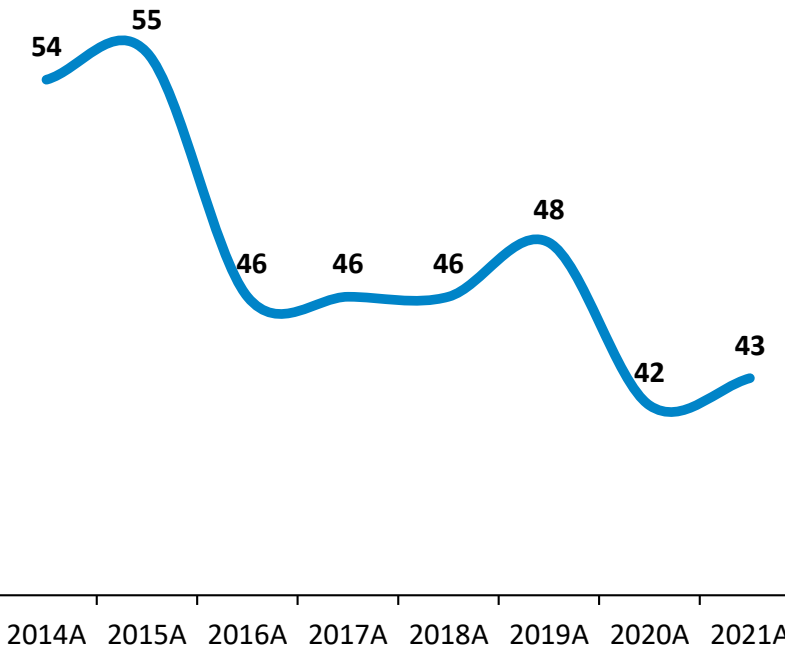


# Payor Mix and Days Sales Outstanding Trend

## Strong Working Capital Management



**Days Sales Outstanding Trend**



- Commercial mix excludes Medicare and Medicaid Managed Care
- Medicare includes 13.6% of Managed Medicare and Medicaid includes 12.9% of Managed Medicaid, of the segments net revenue<sup>1</sup>
- Diverse reimbursement mix combined with improved A/R aging has driven stronger working capital characteristics
- 43 Days Sales Outstanding as of 12.31.21

# Cash Flow, Liquidity & Capital

## CASH FLOW

- TTM operating cash flow of \$70.3 million as of 3.31.22.
- TTM Free Cash Flow (Operating Cash Flow - CapEx) of \$47.9 million.
- During Q1 2022 we expended \$4.0 million in cash for the acquisition of O&P clinics.

## LIQUIDITY & CAPITAL EXPENDITURES

- \$167.2 million in liquidity<sup>2</sup>, comprised of:
  - ❑ \$37.4 million in cash and cash equivalents
  - ❑ \$129.8 million of borrowing capacity
- The Company expanded its revolving facility to \$135 million in November 2021 and extended the maturity to November 2026.
- TTM capital expenditures of \$22.4 million

## INDEBTEDNESS

- Total debt<sup>2</sup> of \$519.6 million:
  - ❑ Term Loan B \$484.8 million;
  - ❑ Seller Notes \$27.7 million;
  - ❑ Deferred Payment Obligations \$4.0 million;
  - ❑ Finance Leases & other \$3.1 million;
- 57% of term loan hedged.
- Leverage level of 3.7 times the mid-point of our 2022 guidance.

<sup>1</sup> Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.

<sup>2</sup> As of 3.31.22.

# 2022 Outlook

## Annual Outlook Reaffirmed May 4, 2022

- Net Revenues in a range between \$1.19 billion and \$1.22 billion
- Adjusted EBITDA<sup>1</sup> in a range between \$127 million and \$132 million
- Hanger's financial outlook for 2022 includes approximately \$35 million in revenue relating to the full year effect of acquisitions completed in 2021

Note: Outlook as of 5.4.22. This presentation is not a reiteration or affirmation of prior guidance.

<sup>1</sup>Adjusted EBITDA is a non GAAP-measure. Adjusted EBITDA is provided on a non-GAAP basis only because a reconciliation to the most comparable GAAP financial measure, net income, is not available without unreasonable effort due to the unpredictable nature of reconciling items that render such a reconciliation not meaningful for investors.

Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.



# Investment Thesis

## Industry Leader Building Sustainable Competitive Advantage

1

### MARKET LEADER

The leading provider of orthotic and prosthetic services in the United States

Provides approximately **24% of all O&P services** in the United States

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### SIZEABLE MARKET

**\$4.3 billion** market for prescription prostheses, orthoses and prefabricated or off-the-shelf orthoses

**Broad demand drivers** across injuries and multiple, high prevalence disease etiologies

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### DIFFERENTIATORS

**Competitive differentiation through investments** in clinical outcomes, centralized revenue cycle management, patient engagement and supply chain to drive growth

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### GROWTH LEVERS

**Multi-tier strategy** to grow organically, steadily expand margins and pursue M&A to drive incremental growth opportunities

Premier scalable provider in a large market for specialized healthcare services

# Appendix Non-GAAP Reconciliations

# Net Income to Adjusted EBITDA 2021-2019

	For the Years Ended December 31,		
	2021	2020	2019
Net income - as reported (GAAP)	\$ 41,982	\$ 38,192	\$ 27,525
Adjustments to calculate EBITDA:			
Depreciation and amortization	32,519	34,847	35,925
Interest expense, net	28,864	32,445	34,258
Non-service defined benefit plan expense	667	632	691
Provision for income taxes	1,158	638	2,954
Adjustments - Net income to EBITDA	63,208	68,562	73,828
EBITDA (Non-GAAP)	105,190	106,754	101,353
Further adjustments to calculate Adjusted EBITDA:			
Third-party professional fees	—	1,639	8,548
Equity-based compensation	12,297	17,969	13,414
Acquisition-related expenses	946	488	939
Hanger Supply Chain implementation costs	396	1,001	—
Severance expenses	511	3,224	(11)
Proceeds from grants under the CARES Act	(1,149)	(24,026)	—
Gain on sale of property	—	(1,925)	—
Loss on cancellation of education event	744	—	—
Further adjustments - EBITDA to Adjusted EBITDA	13,745	(1,630)	22,890
Adjusted EBITDA (Non-GAAP)	\$ 118,935	\$ 105,124	\$ 124,243

# Net Income to Adjusted EBITDA Q1 2022 v. Q1 2021 and TTM

	For the Three Months Ended		For the Twelve Months Ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Net (loss) income- as reported (GAAP)	(7,977)	(3,330)	\$ 37,335	\$ 50,610
Adjustments to calculate EBITDA:				
Depreciation and amortization	7,955	7,998	32,476	34,014
Interest expense, net	7,385	7,340	28,909	31,515
Non-service defined benefit plan expense	160	167	660	642
(Benefit) provision for income taxes	(2,113)	(2,156)	1,201	334
Adjustments - net (loss) income to EBITDA	13,387	13,349	63,246	66,505
EBITDA (Non-GAAP)	5,410	10,019	100,581	117,115
Further adjustments to calculate Adjusted EBITDA:				
Third-party professional fees	—	—	—	1
Equity-based compensation	2,903	3,179	12,021	17,647
Acquisition-related expenses	85	160	871	315
Hanger supply chain implementation costs	386	132	650	998
Severance expenses	134	54	591	3,278
Proceeds from grants under the CARES Act	—	—	(1,149)	(24,026)
Gain on sale of property	—	—	—	(1,925)
Loss on cancellation of education event	—	—	744	—
Further adjustments - EBITDA to Adjusted EBITDA	3,508	3,525	13,728	(3,712)
Adjusted EBITDA (Non-GAAP)	\$ 8,918	\$ 13,544	\$ 114,309	\$ 113,403

# Net Income to Segment Adjusted EBITDA

	For the Three Months Ended		For the Years Ended	
	March 31,		December 31,	
	2022	2021	2021	2020
<u>Patient Care</u>				
Net income from operations - as reported (GAAP)	\$ 16,993	\$ 19,050	\$ 143,977	\$ 147,197
Depreciation & amortization	4,744	4,815	19,622	18,892
EBITDA (Non-GAAP)	21,737	23,865	163,599	166,089
Further adjustments to calculate Adjusted EBITDA:				
Equity-based compensation	831	897	3,721	4,055
Hanger supply chain implementation costs	470	132	406	767
Severance expenses	21	54	458	1,082
Proceeds from grants under the CARES Act	—	—	(1,149)	(24,026)
Gain on sale of property	—	—	—	(1,925)
Loss on cancellation of education event	—	—	744	—
Further adjustments - EBITDA to Adjusted EBITDA	1,322	1,083	4,180	(20,047)
Adjusted EBITDA (Non-GAAP)	23,059	24,948	167,779	146,042
<u>Products &amp; Services</u>				
Net income from operations - as reported (GAAP)	\$ 2,507	\$ 4,676	\$ 17,215	\$ 17,725
Depreciation & amortization	2,023	1,935	7,860	10,173
EBITDA (Non-GAAP)	4,530	6,611	25,075	27,898
Further adjustments to calculate Adjusted EBITDA:				
Equity-based compensation	296	259	1,065	936
Hanger supply chain implementation costs	(84)	—	(10)	234
Severance expenses	113	—	53	255
Further adjustments - EBITDA to Adjusted EBITDA	325	259	1,108	1,425
Adjusted EBITDA (Non-GAAP)	4,855	6,870	26,183	29,323
<u>Corporate &amp; Other</u>				
Net loss from operations - as reported (GAAP)	\$ (22,045)	\$ (21,705)	\$ (88,521)	\$ (93,015)
Depreciation & amortization	1,188	1,248	5,037	5,782
EBITDA (Non-GAAP)	(20,857)	(20,457)	(83,484)	(87,233)
Further adjustments to calculate Adjusted EBITDA:				
Third-party professional fees	—	—	—	1,639
Equity-based compensation	1,776	2,023	7,511	12,978
Acquisition-related expenses	85	160	946	488
Severance expenses	—	—	—	1,887
Further adjustments - EBITDA to Adjusted EBITDA	1,861	2,183	8,457	16,992
Adjusted EBITDA (Non-GAAP)	(18,996)	(18,274)	(75,027)	(70,241)
Total Adjusted EBITDA (Non-GAAP)	\$ 8,918	\$ 13,544	\$ 118,935	\$ 105,124

# Adjusted EBITDA Margin By Segment : Q1 2022 v. Q1 2021 and Q1 2022 TTM v. 2021

	For the Three Months Ended		For the Twelve Months Ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Net Revenue (a)				
Patient Care	\$ 219,818	\$ 195,682	\$ 967,464	\$ 837,102
Products & Services	41,469	41,788	176,841	167,779
Net revenue	<u>\$ 261,287</u>	<u>\$ 237,470</u>	<u>\$ 1,144,305</u>	<u>\$ 1,004,881</u>
EBITDA (b)				
Patient Care	\$ 21,737	\$ 23,865	\$ 161,471	\$ 173,941
Products & Services	4,530	6,611	22,994	29,677
Corporate & Other	(20,857)	(20,457)	(83,884)	(86,503)
EBITDA (Non-GAAP)	<u>\$ 5,410</u>	<u>\$ 10,019</u>	<u>\$ 100,581</u>	<u>\$ 117,115</u>
Adjusted EBITDA (b)				
Patient Care	\$ 23,059	\$ 24,948	\$ 165,890	\$ 153,665
Products & Services	4,855	6,870	24,168	31,155
Corporate & Other	(18,996)	(18,274)	(75,749)	(71,417)
Adjusted EBITDA (Non-GAAP)	<u>\$ 8,918</u>	<u>\$ 13,544</u>	<u>\$ 114,309</u>	<u>\$ 113,403</u>
Adjusted EBITDA Margin (Non-GAAP)				
Patient Care	10.5 %	12.7 %	17.1 %	18.4 %
Products & Services	11.7 %	16.4 %	13.7 %	18.6 %
Net revenue	3.4 %	5.7 %	10.0 %	11.3 %

(a) Excludes intersegment revenue

(b) EBITDA and Adjusted EBITDA are "Non-GAAP" measures.