

FORWARD-LOOKING STATEMENTS

Nasdaq: LHCG

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This presentation includes certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), including EBITDA and Adjusted EBITDA. The company uses these non-GAAP financial measures in operating its business because management believes they are less susceptible to variances in actual operating performance that can result from the excluded items. The company presents these financial measures to investors because they believe they are useful to investors in evaluating the primary factors that drive the company’s operating performance. The items excluded from these non-GAAP measures are important in understanding LHC Group’s financial performance, and any non-GAAP measures presented should not be considered in isolation of, or as an alternative to, GAAP financial measures. Since these non-GAAP financial measures are not measures determined in accordance with GAAP, have no standardized meaning prescribed by GAAP and are susceptible to varying calculations, these measures, as presented, may not be comparable to other similarly titled measures of other companies. EBITDA of LHC Group is defined as net income (loss) before income tax benefit (expense), interest expense, and depreciation and amortization expense. Adjusted EBITDA of LHC Group is defined as net income (loss) before income tax expense benefit (expense), depreciation and amortization expense, and transaction costs related to previous transactions.

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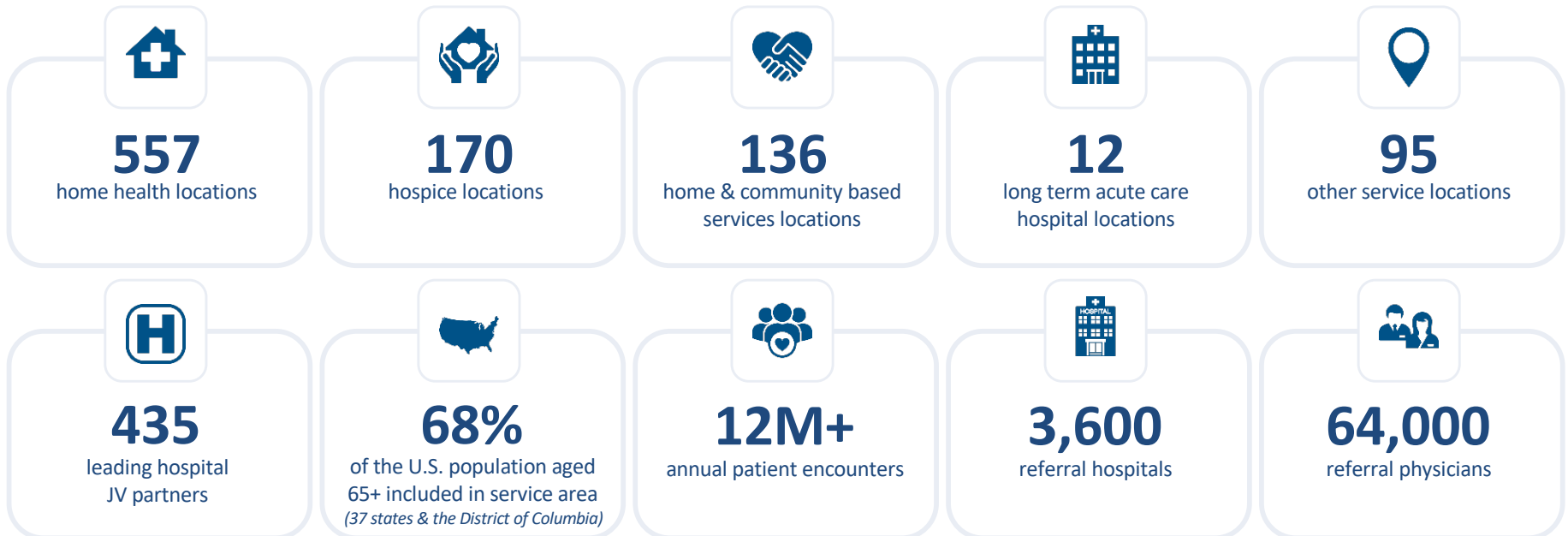
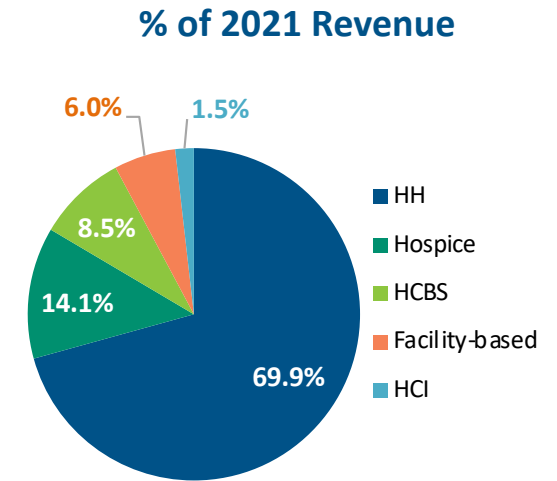
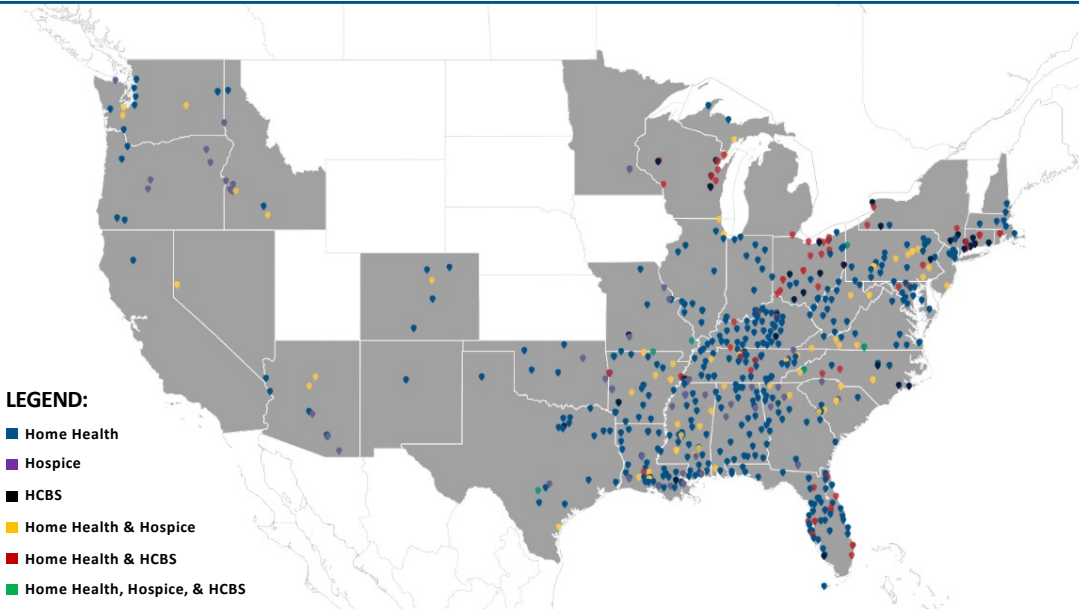
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BUSINESS & LEGISLATIVE OVERVIEW

LHC GROUP OVERVIEW



COMMENTARY ON Q4 2021

- Higher labor costs and capacity constraints caused by the lingering impact of clinicians on quarantine caused significant headwinds for Q4 2021.
 - The percentage of clinicians on quarantine increased to 3.5% at the end of the fourth quarter of 2021, up from 3.0% at the end of the third quarter. The elevated percentage resulted in an estimated negative impact to census of approximately 2,500, revenue of \$13.8 million and EBITDA of \$4.1 million.
 - See slide 18 on the progression of the volume in our quarantined clinical staff.
- Despite the challenges faced in the quarter, organic growth in admissions for home health locations increased 3.8% for Q4 compared to the same period in 2020.
- Despite the challenges faced in the quarter, our Home Health non-Medicare episodic same store admissions increased 18.1% in Q4 as compared to the same period in 2020.
- Organic growth in admissions for hospice decreased 6.2% in Q4 compared to the same period in 2020.
 - In Q4 2021, due to a very active year of hospice acquisitions, we realigned our sales leadership beginning on October 1, 2021 with an effective date of January 1, 2022. The new alignment is already yielding great same-store and newly acquired agency results but did cause some initial disruption in the fourth quarter of 2021.
 - Q1 2022 same store admission growth pacing to 8% to 10% over Q1 2021 and 18% to 20% sequentially over Q4 2021.
 - Q4 2021 same store growth in hospice census was 1.3% over Q4 2020.
 - Discharged length of stay improved to 85.6 days in Q4 2021 as compared to 79.7 days in Q4 2020.

COMMENTARY ON Q4 2021 AND FY 2021

- Momentum from new physician referral sources continued with 4,578 new and unique home health referral sources added in Q4 which is a 9.2% increase over the same period in 2020. For 2021, 19,948 new and unique home health referral sources were added, 19.6% higher than 2020.
- Home Health average daily census of 86,228 in Q4 2021 was 3.0% higher than 83,686 in Q4 2020. For the year, Home Health average daily census of 84,734 was 5.8% higher in 2021 than 2020.
- Hospice average daily census of 7,024 in Q4 2021 was 62.6% higher than 4,320 in Q4 2020. For the year, Hospice average daily census of 5,405 was 24.4% higher in 2021 than 2020. The year-over-year growth was due to a net increase of 40 hospice locations added during 2021.
- Adjusted net income attributable to LHC Group's common stockholders was \$39.3 million, or \$1.26 adjusted earnings per diluted share, in Q4 2021 as compared to \$44.2 million, or \$1.40 adjusted earnings per diluted share in Q4 2020. For 2021, adjusted net income attributable to LHC Group's common stockholders was \$179.5 million, or \$5.73 adjusted earnings per diluted share, 14.4% higher than 2020.
- Adjusted EBITDA was \$61.6 million in Q4 2021 compared to \$68.4 million in Q4 2020. For 2021, Adjusted EBITDA was \$265.5 million compared to \$238.7 million in 2020.

FAVORABLE LEGISLATION AND POLICIES ON HOME CARE

- Choose Home Care Act of 2021 allows Medicare seniors to choose to recover at home as opposed to an in-patient healthcare facility after a hospitalization and who meet the eligibility for Skilled Nursing Facility (SNF).
 - Senate bill (S-2562) has bipartisan support and now 18 co-sponsors from both parties and committees of healthcare and aging jurisdictions.
 - House bill (HR5514) has bipartisan support with 30 co-sponsors from both parties and House committees of healthcare jurisdiction.
 - Bill has been sent to CBO (Congressional Budget Office) for scoring/review of budget implications and for consideration in a legislative vehicle this Congress. It has also been received by CMS for technical advice to Congress.
 - Mandatory PAY-GO 4% cut (as a result of American Rescue Plan Act 2021) delayed until 2023.
- Sec. of Health and Human Services Becerra signed an Administrative Order extending the declaration of the Public Health Emergency for an additional 90 days through April 16, 2022, thereby extending significant flexibilities for the provision of home health services previously afforded administratively. Flexibilities including telehealth and remote patient certifications.
 - Extends the suspension of site neutral payment for LTCHs.
 - Sequestration suspension of mandated 2% cut through March 31, 2022. Strong hospital advocacy to extend the full 2% suspension beyond this date is underway in Congress.
- Home Health Final Rule for FY22 posted on November 2, 2021:
 - No cuts for 2022 and an aggregate increase of payment rates of 2.5% (\$445 million) which includes a decrease in payments due to reduction in rural add-on payments mandated by BBA 2018. (The payment update is based on a 3.1% market basket, reduced by 0.5% productivity adjustment or a net of 2.6% this is further reduced by 0.1% for the reduction in rural add-on percentages for a net of 2.5%.) The 2022 national standardized 30-day payment will be \$2,031.64 versus the \$1,901.12 from 2021.
 - The rule includes a proposal to expand nationally the Home Health Value Based Payment demonstration from 9 states to all 50 states and territories beginning Jan. 1, 2023, with a baseline year of 2019, pre-implementation year in 2022 and first performance year for HHAs of 2023. The rule provides for a maximum payment adjustment of plus or minus 5% reflected in 2025 payments.

POLICIES ON HOME CARE *CONTINUED*

- The Better Care Better Jobs Act: Senators Casey (D-PA), Wyden (D-OR), Schumer (D-NY), Murray (D-WA), Duckworth (D-IL), Hassan (D-NH) and Brown (D-OH) are introducing the Better Care Better Jobs Act, a key element of President Biden’s American Jobs Plan. Representatives Dingell (D-MI-12), Pallone (D-NJ-6), Schakowsky (D-IL-9) and Matsui (D-CA-6) introduced the House companion. This legislation would make a historic investment in home and community-based services by strengthening and expanding access to quality home care services and lifting up the caregiving workforce that provides them. Specifically, the bill would:
 - Enhance Medicaid funding for HCBS, strengthen and expand access to HCBS, strengthen and expand the HCBS workforce, show improvement over time, encourage innovative models that benefit direct care workers and care recipients, support quality and accountability, facilitate state planning, permanent spousal impoverishment protections and make permanent Make Money Follows the Person.



UNPRECEDENTED SUPPORT FOR HOME CARE

- Adults prefer to recover at home after a hospital stay*
 - 86% of adults and 94% of Medicare beneficiaries say they would prefer to receive post-hospital short-term health care at home
- Expanding home recovery options should be a government priority*
 - 85% of adults, 91% of caretakers for someone over age 65 and 90% of adults over age 65 say it should be a high priority for the federal government to expand Medicare coverage for home health care
- There is strong bipartisan support for the Choose Home Care Act*
 - 86% of adults, 94% of Medicare beneficiaries, 92% of Democrats and 83% of Republicans support the Choose Home Care Act

* Based on a poll conducted by Morning Consult between August 11-15, 2021 among a sample of 2,200 adults. The interviews were conducted online and the data were weighted to approximate a target sample of adults based on gender, educational attainment, age, race, and region. Results from the full survey have a margin of error of plus or minus two percentage points.

“The Biden-Harris administration recognizes the value and dignity that come with access to home- and community-based services. Thanks to the American Rescue Plan, we can support states working to expand access to home- and community-based services for Medicaid beneficiaries.”

Xavier Becerra, Secretary of U.S. Department of Health and Human Services (10.21.21)

“We want to design models that give providers those tools that enable the delivery of integrated, whole-person care in the settings beneficiaries prefer, such as in the home or community.”

Purva Rawal, Chief Strategy Officer for U.S. Centers for Medicare & Medicaid Services (10.20.21)

“We’re going to expand services for seniors in the home and for families to help them take care of their parents at home. It’s a matter of dignity and pride they want to live at home independently and for millions of Americans this is the most important issue they are facing.”

President Joe Biden (10.28.21)

DIFFERENTIATED STRATEGIES

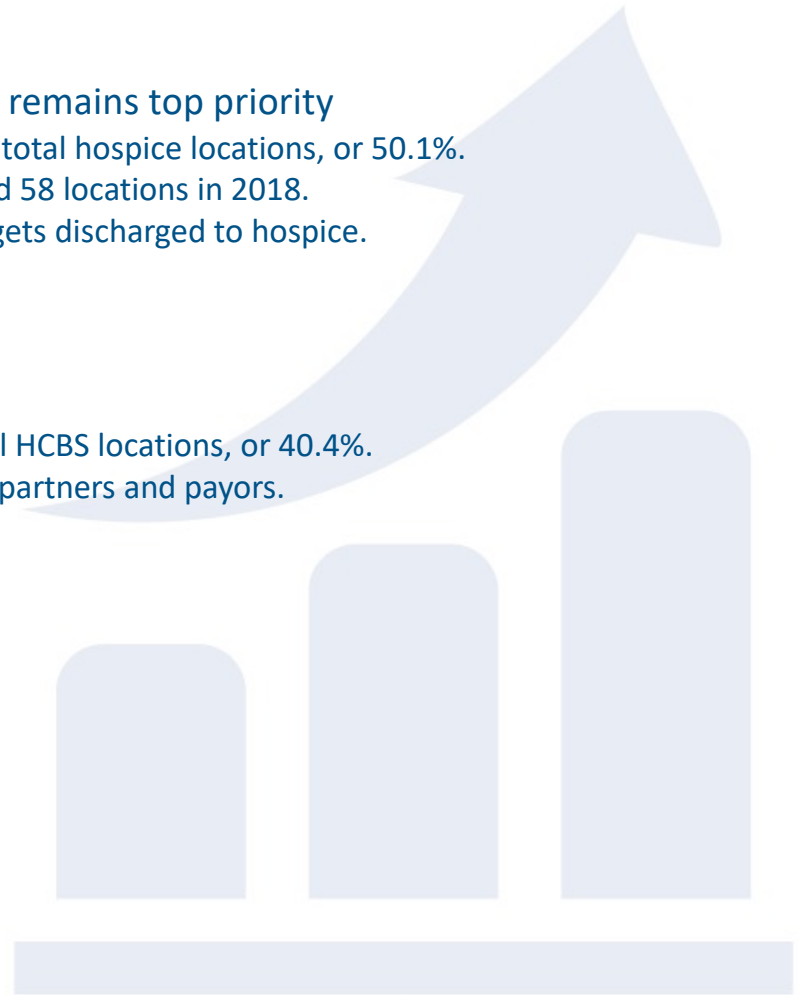
DIFFERENTIATED STRATEGY LEADING TO QUALITY GROWTH

- Joint ventures drive organic growth and margin improvement
 - Same store growth for JV locations average between 200 and 300 basis points higher than non-JV locations.
 - Revenue growth rate for JVs average 10% to 15% in year 2 and 3.
 - Margins for JV locations average 100 to 200 basis points higher than non-JV locations.
- Continued focus on inorganic growth through acquisitions and organic growth on previous acquisitions.
 - Acquired \$300 million in annual revenue in 2021 which will add incremental revenue in 2022 of approximately \$200 million and incremental EBITDA of approximately \$20 million.
- Continued focus on growth in episodic admissions and rate improvement on non-Medicare admissions
 - Non-Medicare episodic admissions grew by 18.1% in the fourth quarter of 2021 compared to 2020; and by 21.9% in 2021 compared to 2020.
 - Non-Medicare rates increased 4% in 2021 over 2020 and increased 17% over the last 5 years.

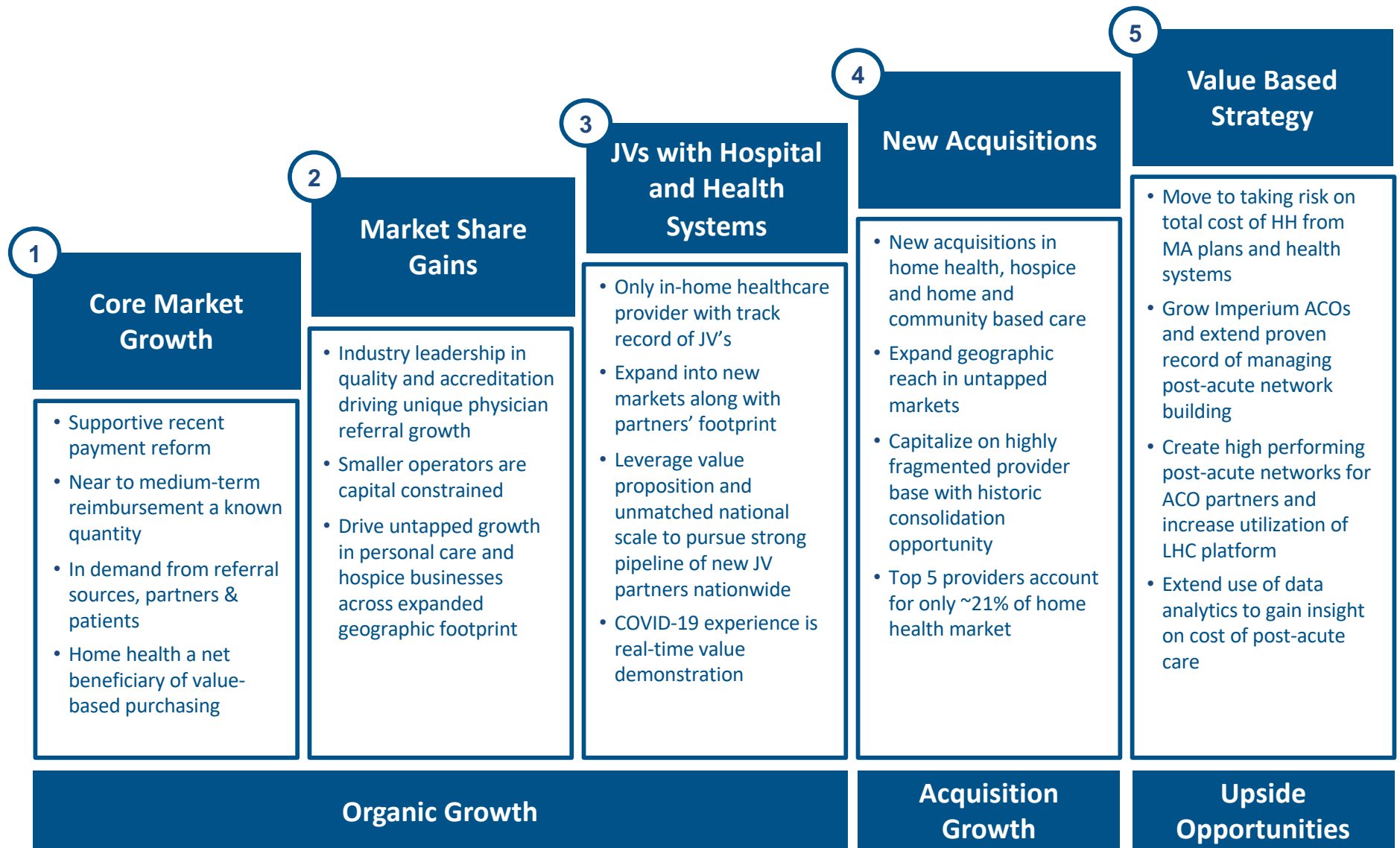


DIFFERENTIATED STRATEGY LEADING TO QUALITY GROWTH *CONTINUED*

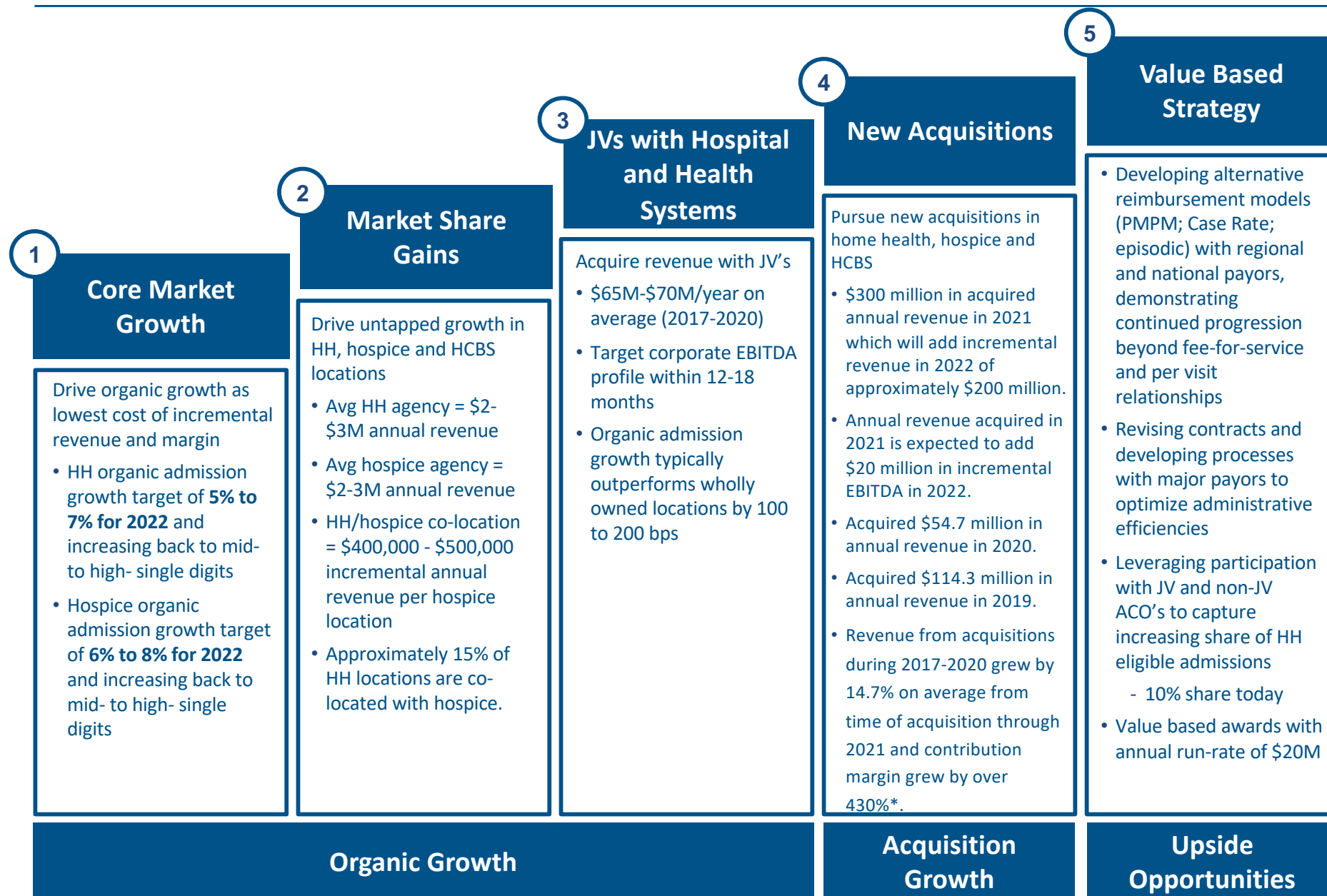
- Continued focus on quality and patient satisfaction to drive higher referrals
 - Increased new home health physician referral sources by 22.0% in 2020 over 2019; by 19.1% in 2021 compared to 2020 and by 9.2% in Q4 of 2021.
- Untapped growth in home health and hospice co-locations remains top priority
 - 86 hospice locations co-located with home health out of 170 total hospice locations, or 50.1%.
 - Up from 77 locations in 2020, 63 locations in 2019 and 58 locations in 2018.
 - Currently averaging 15% to 16% of home health census that gets discharged to hospice.
- Continue with strategic rollout strategy for HCBS
 - 55 HCBS locations co-located with home health out of 136 total HCBS locations, or 40.4%.
 - Grow HCBS in markets with value-based arrangements with JV partners and payors.



MULTIPLE ORGANIC AND INORGANIC GROWTH LEVERS



BUILDING BLOCKS OF LONG-TERM EARNINGS GROWTH



FULL TIME CLINICAL STAFF HIRES

Full Time Net Hiring Trend	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Home Health	+722	+89	+235	+290	+108
Hospice	+53	-11	+8	+12	+44

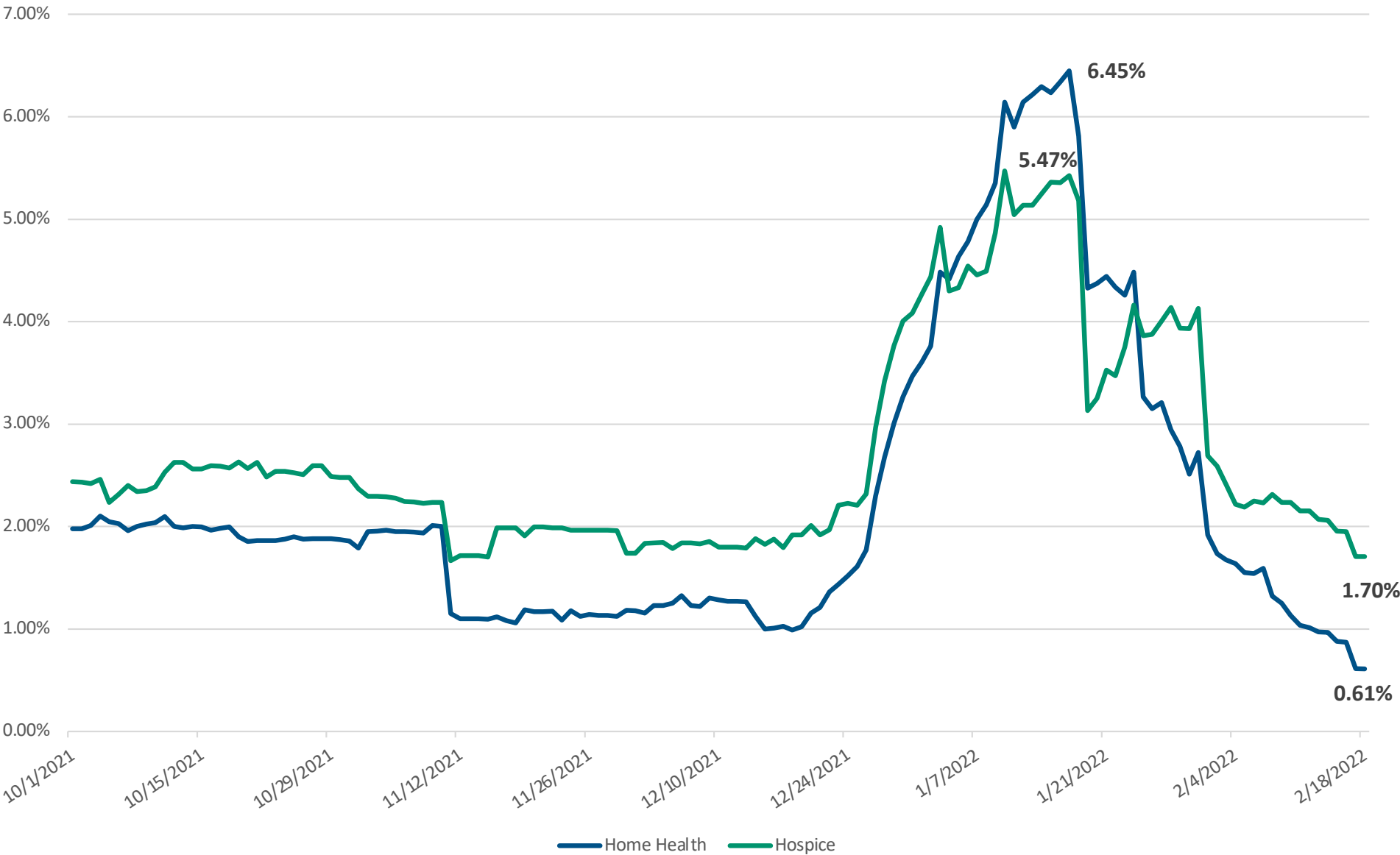
- We continue to see positive trends in recruiting. We have four consecutive quarters in which we have hired a record number of employees while our turnover continues to be well below industry averages. Our headcount statistics are a direct correlation and validation to our company’s continued census growth and focus on patient satisfaction and quality.
 - Voluntary Turnover for full time employees company wide for the twelve months ended December 31, 2021: **17.0%**
 - Voluntary Turnover for full time clinical staff in Home Health and Hospice for the twelve months ended December 31, 2021: **18.7%**

SEQUENTIAL OPERATIONAL TRENDS

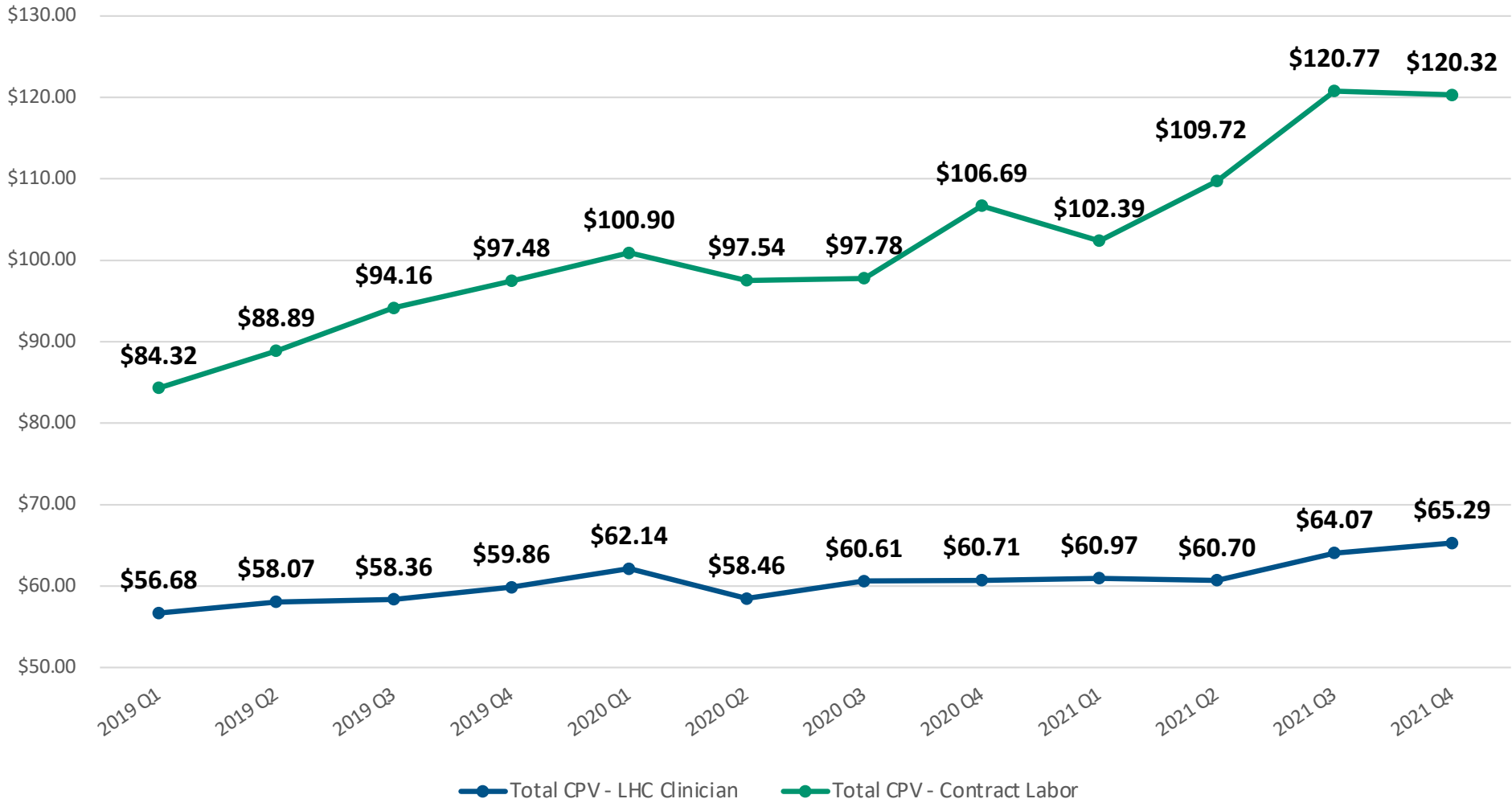
Home Health, Hospice, and HCBS Trends

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Home Health:							
Average census	77,530	82,254	83,686	83,938	85,554	84,258	86,228
Admissions	93,482	104,304	104,440	107,922	109,082	108,492	111,141
Revenue per Medicare episode	\$2,771	\$2,824	\$2,840	\$2,862	\$2,899	\$2,850	\$2,860
Medicare case mix	0.994	1.010	1.014	1.009	1.018	1.015	1.012
Institutional admission %	58.2%	60.3%	63.2%	60.8%	61.3%	60.1%	61.0%
LUPA %	9.5%	8.9%	9.0%	9.1%	8.8%	9.1%	9.1%
Hospice:							
Average census	4,377	4,393	4,320	4,411	4,454	5,697	7,024
Admissions	4,869	5,077	5,336	5,451	4,967	6,466	7,516
Average length of stay	71.1	83.6	79.7	78.4	77.9	84.9	85.6
HCBS:							
HCBS billable hours	1,921,900	1,942,706	1,884,411	1,901,281	1,878,138	1,817,711	1,779,058

HOME HEALTH AND HOSPICE CLINICIANS ON QUARANTINE TREND



HOME HEALTH LABOR COST PER VISIT



Contract nursing visits as a % of total nursing visits	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
	1.1%	1.2%	1.1%	1.5%	1.6%	1.9%	2.2%	2.4%	2.6%	3.1%	4.0%	3.8%

HOME HEALTH AND HOSPICE GROWTH

Same Store Organic Admission Growth over Prior-Year Periods

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022 Pacing
Home Health	-0.4%	16.4%	3.6%	3.8%	5.5%	5% to 7%
Hospice	7.6%	1.1%	0.1%	-6.2%	0.5%	8% to 10%

New Physician Home Health Referral Sources

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
# of Referrals sources	5,280	5,317	4,773	4,578	19,948
% change compared to prior year	34.8%	33.1%	4.2%	9.2%	19.6%

INDUSTRY-LEADING QUALITY AND PATIENT SATISFACTION

Quality	April 2021 to Dec 2021 (SHP data) ⁽¹⁾	July 2020 to March 2021 (CMS data) ⁽²⁾	Jan 2019 to Dec 2019 (CMS data) ⁽³⁾
LHC Group	4.37	4.10	4.23
National average		3.27	3.25



Patient Satisfaction	July 2020 to March 2021 (CMS data) ⁽²⁾⁽⁴⁾	Jan 2019 to Dec 2019 (CMS data) ⁽³⁾
LHC Group	3.70	4.41
National average	3.47	3.98



- (1) Average star rating for April 2021 through December 2021 from Strategic Healthcare Partners (SHP) data.
- (2) Average star rating for July 2020 through March 2021 from CMS data.
- (3) Average star rating for January 2019 through December 2019 from CMS data.
- (4) The change is mainly due to adjustments that CMS made to the cut point ranges in the 2022 calculation.

- 100% of LHC Group home health and hospice agencies are Joint Commission accredited or are in the accreditation process within 12 to 18 months after acquisition.
- Approximately 15% of all Medicare certified home health agencies nationwide are Joint Commission accreditation.



2021 M&A ACTIVITY SETS THE STAGE FOR 2022 GROWTH

Acquisition/Joint Venture	Partner	State	Date Closed/ Estimated Close	Locations	Annual Revenue
Grace Hospice	N/A	Oklahoma	1/1/2021	1	\$12,100,000
East Valley Hospice	N/A	Arizona	1/1/2021	1	\$4,800,000
Regent Home Health	THR/Methodist	Texas	6/1/2021	1	\$630,000
Community Home Care Based Services	N/A	Texas	6/1/2021	1	\$600,000
Casa de la Luz Hospice	N/A	Arizona	7/1/2021	1	\$23,000,000
Heart 'n Home Hospice	N/A	Idaho/Oregon	7/1/2021	6	\$20,000,000
Cavalier Home Health	N/A	Virginia	8/1/2021	1	\$5,700,000
MSA Hospice	N/A	Indiana	8/1/2021	1	\$1,200,000
Ashley County Home Health	N/A	Arkansas	8/1/2021	1	\$1,200,000
Heart of Hospice	N/A	AR/LA/MS/OK/SC	9/1/2021	16	\$92,500,000
Freda H. Gordon Hospice and Palliative Care	N/A	Virginia	10/1/2021	1	\$4,000,000
Generations Home Health	N/A	Virginia	10/1/2021	1	\$3,400,000
HCA Healthcare/Brookdale Health Care Services	N/A	22 in Total	11/1/2021	47	\$130,000,000
YTD total TTM acquired revenue in 2021				79	<u>\$299,130,000</u>

The acquired annual revenue of approximately \$300 million for 2021 is expected to have an incremental impact to 2022 of approximately \$200 million in revenue and approximately \$20 million in EBITDA.

2021 CONSOLIDATED RESULTS

2021 ADJUSTED CONSOLIDATED RESULTS

	Three months ended December 31			Twelve months ended December 31		
	Consolidated	Total Adjustments	Adjusted Consolidated	Consolidated	Total Adjustments	Adjusted Consolidated
Net service revenue	\$583,429	\$0	\$583,429	\$2,219,622	\$0	\$2,219,622
Cost of service revenue	364,603	(18,763)	345,840	1,336,609	(50,029)	1,286,580
Gross margin	218,826		237,589	883,013		933,042
General and administrative expenses	189,681	(13,518)	176,163	696,435	(35,839)	660,596
Impairment of intangibles and other	0	0	0	937	(937)	0
Operating income	\$29,145	\$32,281	\$61,426	\$185,641	\$86,805	\$272,446
Depreciation	6,018	0	6,018	20,917		20,917
Noncontrolling interests	(5,878)	0	(5,878)	(27,888)		(27,888)
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$29,285	\$32,281	\$61,566	\$178,670	\$86,805	\$265,475
EBITDA less NCI as a percentage of revenue	5.0%		10.6%	8.0%		12.0%

ADJUSTED CONSOLIDATED RESULTS – 2021 VS 2020

	Three months ended December 31,				Twelve months ended December 31,			
	2021 Adjusted Consolidated	% of rev	2020 Adjusted Consolidated	% of rev	2021 Adjusted Consolidated	% of rev	2020 Adjusted Consolidated	% of rev
Net service revenue	\$583,429		\$532,329		\$2,219,622		\$2,063,204	
Cost of service revenue	345,840	59.3%	307,527	57.8%	1,286,580	58.0%	1,213,912	58.8%
Gross margin	237,589	40.7%	224,802	42.2%	933,042	42.0%	849,292	41.2%
General and administrative expenses	176,163	30.2%	154,495	29.0%	660,596	29.8%	605,456	29.3%
Operating income	\$61,426	10.5%	\$70,307	13.2%	\$272,446	12.3%	\$243,836	11.8%
Depreciation	6,018		5,647		20,917		21,249	
Noncontrolling interests	(5,878)		(7,584)		(27,888)		(26,337)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$61,566		\$68,370		\$265,475		\$238,748	
EBITDA less NCI as a percentage of revenue	10.6%		12.8%		12.0%		11.6%	

ADJUSTMENTS TO NET INCOME

PRE-TAX ADJUSTMENTS	Q4 2021	Q4 2020	2021	2020
Acquisition, <i>de novo</i> and legal expenses (1)	\$10,082	\$3,214	\$24,154	\$7,770
Closures/relocations/consolidations (2)	412	4,019	2,510	5,193
COVID-19 PPE, supplies and other expenses (3)	14,826	12,159	51,661	52,768
ERP implementation (5)	820	-	2,485	-
Hurricane Ida (6)	-	-	1,150	-
Gain on sale of asset (7)	-	-	(1,296)	-
Cost improvement initiatives (8)	6,141	-	6,141	-
Total	\$32,281	\$19,392	\$86,805	\$65,731

ADJUSTMENTS NET OF TAX	Q4 2021	Q4 2020	2021	2020
Acquisition, <i>de novo</i> and legal expenses (1)	\$7,385	\$2,284	\$17,737	\$5,629
Closures/relocations/consolidations (2)	302	2,856	1,850	3,722
COVID-19 impact:				
PPE, supplies and other expenses (3)	10,860	8,641	38,001	38,608
CARES Act tax benefit (4)	-	-	-	(2,210)
ERP implementation (5)	601	-	1,827	-
Hurricane Ida (6)	-	-	844	-
Gain on sale of asset (7)	-	-	(951)	-
Cost improvement initiatives (8)	4,498	-	4,498	-
Total	\$23,646	\$13,781	\$63,806	\$45,749

*See footnotes on page 27

ADJUSTMENTS TO NET INCOME *CONTINUED*

ADJUSTMENTS NET OF TAX	Q4 2021	Q4 2020	2021	2020
Acquisition, <i>de novo</i> and legal expenses (1)	\$0.24	0.07	\$0.57	\$0.17
Closures/relocations/consolidations (2)	0.01	0.09	0.06	0.12
COVID-19 impact:				
PPE, supplies and other expenses (3)	0.35	0.27	1.22	1.23
CARES Act tax benefit (4)	-	-	-	(0.07)
ERP implementation (5)	0.02	-	0.05	-
Hurricane Ida (6)	-	-	0.03	-
Gain on sale of asset (7)	-	-	(0.03)	-
Cost improvement initiatives (8)	0.14	-	0.14	-
Total	\$0.76	\$0.43	\$2.04	\$1.45

- Expenses and other costs associated with recently announced or completed acquisitions, *de novos* and legal expenses (\$10.1 million and \$24.2 million pre-tax in the three months and year ended December 31, 2021, respectively; \$3.2 million and \$7.8 million pre-tax in the three months and year ended December 31, 2020, respectively).
- Loss on the sale of an asset and other expenses associated with a closure or consolidation, including impairment (\$0.4 million and \$2.5 million pre-tax in the three months and year ended December 31, 2021, respectively; \$4.0 million and \$5.2 million in the three months and year ended December 31, 2020, respectively).
- COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies, wage adjustments and employee healthcare costs (\$14.8 million and \$51.7 million pre-tax in the three months and year ended December 31, 2021, respectively; \$12.2 million and \$52.8 million pre-tax in the three months and year ended December 31, 2021, respectively).
- Tax benefit related to new legislation in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which lifts certain tax deduction limitations and eliminates 80% of taxable income limitations for Net Operating Losses ("NOL"), which we are now able to fully utilize NOLs associated with Almost Family prior to the merger.
- Expenses and other costs associated with the implementation of an Enterprise Resource Planning software (\$0.8 million and \$2.5 million pre-tax in the three months and year ended December 31, 2021, respectively).
- Direct recovery costs associated with Hurricane Ida (\$1.2 million pre-tax).
- As of December 31, 2020, the Company's assets held for sale was \$1.9 million, which consisted of one hospice facility in Knoxville, Tennessee. The Company sold the property during the third quarter of 2021 for \$3.2 million.
- Expenses associated from cost improvement initiatives implemented in the fourth quarter of 2021, which consisted of contract terminations and general and administrative cost reductions (\$6.1 million pre-tax).

SEGMENT RESULTS

THREE MONTHS ENDED DEC. 31, 2021 ADJUSTED SEGMENT RESULTS

	Home health services	Adjustments	Adjusted Home health services	Hospice services	Adjustments	Adjusted Hospice services	HCBS services	Adjustments	Adjusted HCBS services
Net service revenue	\$394,481		\$394,481	\$102,027		\$102,027	\$46,229		\$46,229
Cost of service revenue	238,548	(13,890)	224,658	65,047	(2,484)	62,563	33,911	(599)	33,312
Gross margin	155,933		169,823	36,980		39,464	12,318		12,917
General and administrative expenses	131,795	(9,289)	122,506	30,904	(2,400)	28,504	11,508	(943)	10,565
Operating income (loss)	\$24,138	\$23,179	\$47,317	\$6,076	\$4,884	\$10,960	\$810	\$1,542	\$2,352
Add back Depreciation	3,430		3,430	997		997	462		462
Less Noncontrolling interests	(4,554)		(4,554)	(989)		(989)	(26)		(26)
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$23,014	\$23,179	\$46,193	\$6,084	\$4,884	\$10,968	\$1,246	\$1,542	\$2,788
EBITDA less NCI as a percentage of revenue	5.8%		11.7%	6.0%		10.8%	2.7%		6.0%

	Facility-based services	Adjustments	Adjusted Facility-based services	HCI	Adjustments	Adjusted HCI services
Net service revenue	\$35,284		\$35,284	\$5,408		\$5,408
Cost of service revenue	23,910	(1,755)	22,155	3,187	(35)	3,152
Gross margin	11,374		13,129	2,221		2,256
General and administrative expenses	12,091	(769)	11,322	3,383	(117)	3,266
Operating income (loss)	(\$717)	\$2,524	\$1,807	(\$1,162)	\$152	(\$1,010)
Add back Depreciation	881		881	248		248
Less Noncontrolling interests	(313)		(313)	4		4
Earnings before interest, tax and depreciation (EBITDA less NCI)	(\$149)	\$2,524	\$2,375	(\$910)	\$152	(\$758)
EBITDA less NCI as a percentage of revenue	-0.4%		6.7%	-16.8%		-14.0%

YEAR ENDED DEC. 31, 2021 ADJUSTED SEGMENT RESULTS

	Home health services	Adjustments	Adjusted Home health services	Hospice services	Adjustments	Adjusted Hospice services	HCBS services	Adjustments	Adjusted HCBS services
Net service revenue	\$1,551,542	\$0	\$1,551,542	\$311,218	\$0	\$311,218	\$189,561	\$0	\$189,561
Cost of service revenue	\$901,685	(\$35,908)	865,777	\$194,895	(\$5,434)	189,461	\$137,852	(\$2,417)	135,435
Gross margin	649,857		685,765	116,323		121,757	51,709		54,126
General and administrative expenses	501,132	(26,255)	474,877	89,693	(3,596)	86,097	46,724	(2,962)	43,762
Impairment of intangibles and other	\$937	(937)	0	\$0	0	0	\$0	0	0
Operating income (loss)	\$147,788	\$63,100	\$210,888	\$26,630	\$9,030	\$35,660	\$4,985	\$5,379	\$10,364
Depreciation	12,040		12,040	2,912		2,912	1,662		1,662
Noncontrolling interests	(22,060)		(22,060)	(4,297)		(4,297)	(467)		(467)
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$137,768	\$63,100	\$200,868	\$25,245	\$9,030	\$34,275	\$6,180	\$5,379	\$11,559
EBITDA less NCI as a percentage of revenue	8.9%		12.9%	8.1%		11.0%	3.3%		6.1%

	Facility-based services	Adjustments	Adjusted Facility-based services	HCI	Adjustments	Adjusted HCI services
Net service revenue	\$132,098	\$0	\$132,098	\$35,203	\$0	\$35,203
Cost of service revenue	\$89,270	(\$6,046)	83,224	\$12,907	(\$224)	12,683
Gross margin	42,828		48,874	22,296		22,520
General and administrative expenses	45,304	(2,681)	42,623	13,582	(345)	13,237
Impairment of intangibles and other	\$0	0	0	\$0	0	0
Operating income (loss)	(\$2,476)	\$8,727	\$6,251	\$8,714	\$569	\$9,283
Depreciation	3,329		3,329	974		974
Noncontrolling interests	(1,105)		(1,105)	41		41
Earnings before interest, tax and depreciation (EBITDA less NCI)	(\$252)	\$8,727	\$8,475	\$9,729	\$569	\$10,298
EBITDA less NCI as a percentage of revenue	-0.2%		6.4%	27.6%		29.3%



HOME HEALTH SEGMENT

ADJUSTED SEGMENT RESULTS – 2021 VS 2020

	Three months ended December 31,				Twelve months ended December 31,			
	2021 Adjusted Home health services	% of rev	2020 Adjusted Home health services	% of rev	2021 Adjusted Home health services	% of rev	2020 Adjusted Home health services	% of rev
Net service revenue	\$394,481		\$382,636		\$1,551,542		\$1,463,779	
Cost of service revenue	224,658	57.0%	210,655	55.1%	865,777	55.8%	821,506	56.1%
Gross margin	169,823	43.0%	171,981	44.9%	685,765	44.2%	642,273	43.9%
General and administrative expenses	122,506	31.1%	114,302	29.9%	474,877	30.6%	446,014	30.5%
Operating income	\$47,317	12.0%	\$57,679	15.1%	\$210,888	13.6%	\$196,259	13.4%
Depreciation	3,430		3,204		12,040		12,336	
Noncontrolling interests	(4,554)		(6,154)		(22,060)		(20,525)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$46,193		\$54,729		\$200,868		\$188,070	
EBITDA less NCI as a percentage of revenue	11.7%		14.3%		12.9%		12.8%	

- For the three months ended December 31, 2021, Revenue increased by \$11.8 million or 3.1% as compared to Q4 2020. The increase in revenue is due to approximately \$9.4 million of inorganic revenue from the HCA/Brookdale acquisition, an approximate 1% increase same store census, along with an increase in Revenue per Completed Medicare Episode of approximately 1.0%.
- For the three months ended December 31, 2021, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) decreased \$8.5 million, or 260 basis points as a percentage of revenue, as compared to Q4 2020. The decrease is primarily due to the staffing shortages and cost pressures owing to clinicians being quarantined, resulting in higher utilization of contract labor, more overtime and higher shift premium pay. Total labor cost per visit increased 7.5% as compared to Q4 2020 due to higher wages, higher sign on and retention bonuses, and higher training and orientation cost.
- General and administrative expenses as a percent of revenue increased 120 basis points for the three months ended December 31, 2021 as compared to the same period in 2020 due to the HCA/Brookdale acquisition which closed on November 1, 2021.
- Revenue from sequestration suspension in the fourth quarter of 2021 was \$4.8 million and \$19.5 million for the twelve months ended December 31, 2021.



HOSPICE SEGMENT

ADJUSTED SEGMENT RESULTS – 2021 VS 2020

	Three months ended December 31,				Twelve months ended December 31,			
	2021 Adjusted Hospice services	% of rev	2020 Adjusted Hospice services	% of rev	2021 Adjusted Hospice services	% of rev	2020 Adjusted Hospice services	% of rev
Net service revenue	\$102,027		\$62,419		\$311,218		\$243,806	
Cost of service revenue	62,563	61.3%	37,202	59.6%	189,461	60.9%	147,125	60.3%
Gross margin	39,464	38.7%	25,217	40.4%	121,757	39.1%	96,681	39.7%
General and administrative expenses	28,504	27.9%	16,138	25.9%	86,097	27.7%	63,556	26.1%
Operating income	\$10,960	10.7%	\$9,079	14.5%	\$35,660	11.5%	\$33,125	13.6%
Depreciation	997		540		2,912		2,085	
Noncontrolling interests	(989)		(1,370)		(4,297)		(4,822)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$10,968		\$8,249		\$34,275		\$30,388	
EBITDA less NCI as a percentage of revenue	10.8%		13.2%		11.0%		12.5%	

- For the three months ended December 31, 2021, revenue increased \$39.6 million. The increase in revenue is due to approximately \$38.8 million of inorganic revenue from recent acquisitions and approximately \$2 million from same store growth offset by an increase in implicit price concession of approximately \$2 million.
- For the three months ended December 31, 2021, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) increased \$2.7 million but decreased 240 basis points as a percentage of revenue, as compared to Q4 2020. The decrease is primarily due to the staffing shortages and cost pressures owing to clinicians being quarantined, resulting in higher utilization of contract labor, more overtime and higher shift premium pay. Total cost per patient day increased 2.2% as compared to Q4 2020 due to higher wages, higher sign on and retention bonuses, and higher training and orientation cost.
- General and administrative expenses as a percent of revenue increased 200 basis points for the three months ended December 31, 2021 as compared to the same period in 2020 due to recent acquisitions that closed on September 1 and November 1, 2021.
- Revenue from sequestration suspension in the fourth quarter of 2021 was \$1.9 million and \$5.9 million for the twelve months ended December 31, 2021.



HOME AND COMMUNITY BASED SERVICES SEGMENT ADJUSTED SEGMENT RESULTS – 2021 VS 2020

	Three months ended December 31,				Twelve months ended December 31,			
	2021 Adjusted HCBS services	% of rev	2020 Adjusted HCBS services	% of rev	2021 Adjusted HCBS services	% of rev	2020 Adjusted HCBS services	% of rev
Net service revenue	\$46,229		\$50,058		\$189,561		\$194,584	
Cost of service revenue	33,312	72.1%	36,033	72.0%	135,435	71.4%	147,519	75.8%
Gross margin	12,917	27.9%	14,025	28.0%	54,126	28.6%	47,065	24.2%
General and administrative expenses	10,565	22.9%	10,482	20.9%	43,762	23.1%	42,104	21.6%
Operating income	\$2,352	5.1%	\$3,543	7.1%	\$10,364	5.5%	\$4,961	2.5%
Depreciation	462		437		1,662		1,654	
Noncontrolling interests	(26)		(104)		(467)		171	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$2,788		\$3,876		\$11,559		\$6,786	
EBITDA less NCI as a percentage of revenue	6.0%		7.7%		6.1%		3.5%	

- For the three months ended December 31, 2021, revenue decreased \$3.8 million or -7.6% as compared to Q4 2020. The decrease in revenue is due to a 5.6% decline in billable hours owing to ongoing staffing constraints due to the COVID-19 pandemic.
- For the three months ended December 31, 2021, the HCBS segment EBITDA decreased \$1.0 million and declined 170 basis points as a percentage of revenue as compared to Q4 2020. The decrease is due to the impact of fixed costs on lower revenue.



FACILITY-BASED SERVICES SEGMENT ADJUSTED SEGMENT RESULTS – 2021 VS 2020

	Three months ended December 31,				Twelve months ended December 31,			
	2021 Adjusted Facility-based services	% of rev	2020 Adjusted Facility-based services	% of rev	2021 Adjusted Facility-based services	% of rev	2020 Adjusted Facility-based services	% of rev
Net service revenue	\$35,284		\$31,914		\$132,098		\$128,578	
Cost of service revenue	22,155	62.8%	20,178	63.2%	83,224	63.0%	83,031	64.6%
Gross margin	13,129	37.2%	11,736	36.8%	48,874	37.0%	45,547	35.4%
General and administrative expenses	11,322	32.1%	10,517	33.0%	42,623	32.3%	41,043	31.9%
Operating income	\$1,807	5.1%	\$1,219	3.8%	\$6,251	4.7%	\$4,504	3.5%
Depreciation	881		1,160		3,329		3,971	
Noncontrolling interests	(313)		35		(1,105)		(1,193)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$2,375		\$2,414		\$8,475		\$7,282	
EBITDA less NCI as a percentage of revenue	6.7%		7.6%		6.4%		5.7%	

- For the three months ended December 31, 2021, Revenue increased by \$3.4 million or 10.6% as compared to Q4 2020. The increase in revenue is due to approximately \$3 million of inorganic revenue from the recent acquisition of therapy service providers from Brookdale, along with an increase in patient days in the LTACHs of approximately 2.8%.
- For the three months ended December 31, 2021, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) was flat, as compared to Q4 2020.
- Revenue from sequestration suspension in the fourth quarter of 2021 was \$0.3 million and \$1.3 million for the twelve months ended December 31, 2021.



HEALTH CARE INNOVATIONS SEGMENT

ADJUSTED SEGMENT RESULTS – 2021 VS 2020

	Three months ended December 31,				Twelve months ended December 31,			
	2021 Adjusted HCI services	% of rev	2020 Adjusted HCI services	% of rev	2021 Adjusted HCI services	% of rev	2020 Adjusted HCI services	% of rev
Net service revenue	\$5,408		\$5,302		\$35,203		\$32,457	
Cost of service revenue	3,152	58.3%	3,459	65.2%	12,683	36.0%	14,731	45.4%
Gross margin	2,256	41.7%	1,843	34.8%	22,520	64.0%	17,726	54.6%
General and administrative expenses	3,266	60.4%	3,056	57.6%	13,237	37.6%	12,739	39.2%
Operating income	(\$1,010)	-18.7%	(\$1,213)	-22.9%	\$9,283	26.4%	\$4,987	15.4%
Depreciation	248		306		974		1,203	
Noncontrolling interests	4		9		41		32	
Earnings before interest, tax and depreciation (EBITDA less NCI)	(\$758)		(\$898)		\$10,298		\$6,222	
EBITDA less NCI as a percentage of revenue	-14.0%		-16.9%		29.3%		19.2%	

GUIDANCE, LIQUIDITY & OUTLOOK

FULL YEAR 2022 GUIDANCE

	Low	Midpoint	High	YOY growth @ Midpoint	YOY growth @ Midpoint Ex.COVID Adjustments ⁽¹⁾
Revenue	\$2.500 billion	\$2.525 billion	\$2.550 billion	+13.8%	+13.8%
Adjusted EPS	\$5.60	\$5.80	\$6.00	+1.2%	+28.6%
Adjusted EBITDA less NCI	\$270 million	\$280 million	\$290 million	+5.5%	+31.0%

⁽¹⁾ The growth rate assumes that \$51.7 million in 2021 COVID expenses are added back to into the 2021 EBITDA and EPS numbers in order to compare with 2022 guidance. COVID expenses will not be adjusted out of earnings in 2022.

Assumptions:

- 5% to 7% organic growth in home health admissions for the year; 6% to 8% organic growth in hospice admissions for the year.
- Gross margin as a percent of revenue range 40% to 41%.
- General and administrative expense as a percent of revenue range 28% to 29%.
- Estimated interest expense of \$15 million and depreciation expense of \$19.5 million for full year 2022.
- Estimated effective tax rate of 27.0% for full year 2022.
- Fully diluted shares of 30.7 million.

FULL YEAR 2022 GUIDANCE *CONTINUED*

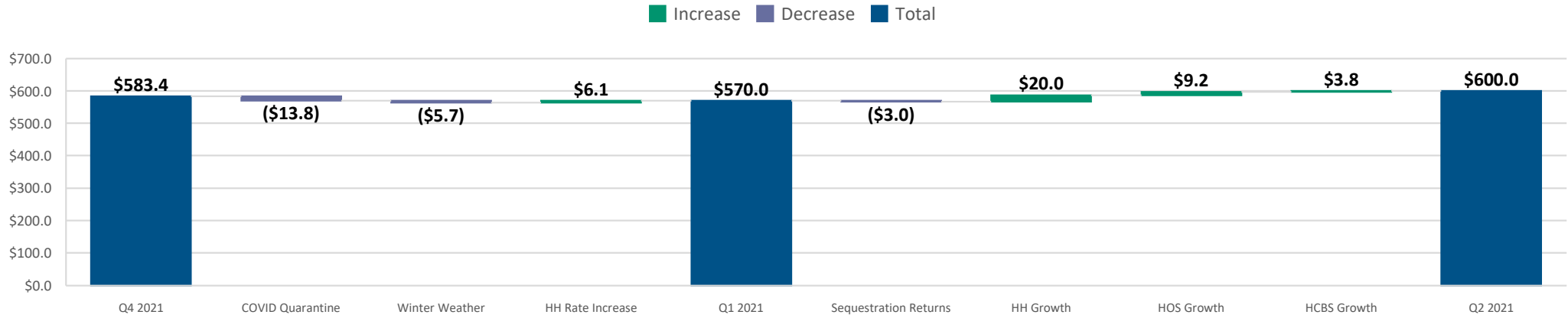
	<u>NSR \$</u>	<u>EBITDA \$</u>	<u>EBITDA %</u>
	-	-	-
2021 BASELINE	\$2,219.6	\$265.5	12.0%
2022 DEVELOPMENTS:			
SEQUESTRATION	(\$16.0)	(\$16.0)	
COVID SPEND		(\$30.0)	
HIGHER LABOR COST		(\$26.5)	
HOME HEALTH RATE INCREASE	\$25.0	\$25.0	
HOSPICE RATE INCREASE	\$7.0	\$7.0	
ORGANIC GROWTH	\$90.0	\$10.0	
INCREMENTAL CONTRIBUTION FROM 2021 M&A	\$200.0	\$20.0	
COST IMPROVEMENT INITIATIVES	\$0.0	\$25.0	
2022 GUIDANCE	\$2,525.6	\$280.0	11.1%

FIRST QUARTER 2022 GUIDANCE *(SEE BRIDGE ON SLIDE 40)*

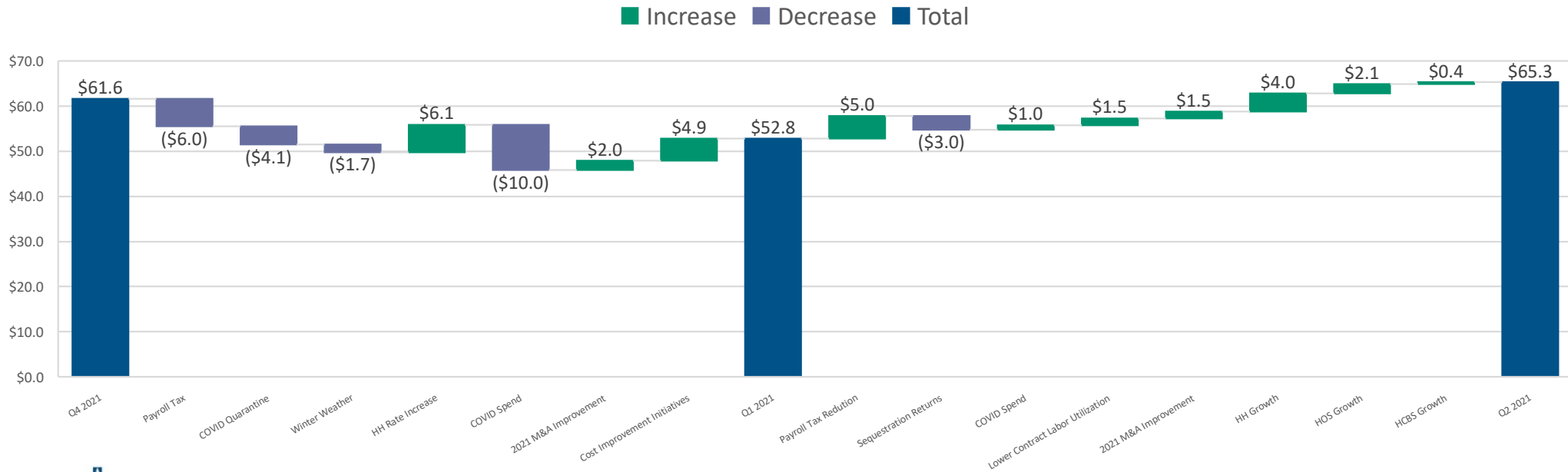
	Low	Midpoint	High
Revenue	\$560 million	\$570 million	\$580 million
Adjusted EPS	\$1.00	\$1.05	\$1.10
Adjusted EBITDA less NCI	\$50 million	\$52.5 million	\$55 million

BRIDGE FROM Q4 2021 TO Q2 2022 (SEE ASSUMPTIONS ON SLIDE 41)

Revenue



EBITDA



BRIDGE FROM Q4 2021 TO 1H 2022

Bridge Growth Assumptions from Q1 2022 to Q2 2022

- Home Health average census assumed for the first quarter of 2022 is approximately 86,500. Home Health average census to achieve the second quarter of 2022 bridge growth is approximately 88,900.
 - On February 21, 2022, our Home Health census was approximately 89,328.
 - Same store admission growth for the first quarter of 2022 is pacing to be 5% to 7% over the first quarter of 2021.
- Hospice average census assumed for the first quarter of 2022 is approximately 7,000. Hospice average census to achieve the second quarter of 2022 bridge growth is approximately 7,250.
 - On February 21, 2022, our Hospice census was 7,075.
 - Same store admission growth for the first quarter of 2022 is pacing to be 8% to 10% over the first quarter of 2021.
- HCBS billable hours assumes approximately 1.7 million in the first quarter of 2022 and approximately 1.8 million in the second quarter of 2022.
 - HCBS billable hours for the fourth quarter of 2021 were 1.8 million.

2H 2022 ASSUMPTIONS

Bridge from 1st half of 2022 to 2nd half of 2022

- Improvement in contribution margin from 2021 acquisitions

							2nd Half	
(\$ Millions)	Q1	Q2	Q3	Q4	TY	1H	2H	Benefit
Acquired EBITDA	\$2.0	\$3.5	\$6.0	\$8.5	\$20.0	\$5.5	\$14.5	\$9.0

- COVID spend improvement

							2nd Half	
(\$ Millions)	Q1	Q2	Q3	Q4	TY	1H	2H	Benefit
COVID Spend Progression	\$10.0	\$9.0	\$7.0	\$4.0	\$30.0	\$19.0	\$11.0	\$8.0

- Improvement in contract labor utilization
 - Assumes 1% utilization improvement in Q2 and in Q3.
 - Every 1% improvement in utilization equates to \$1.4 million in cost savings.



OCT 2021 – FEB 2022 HOME HEALTH TREND

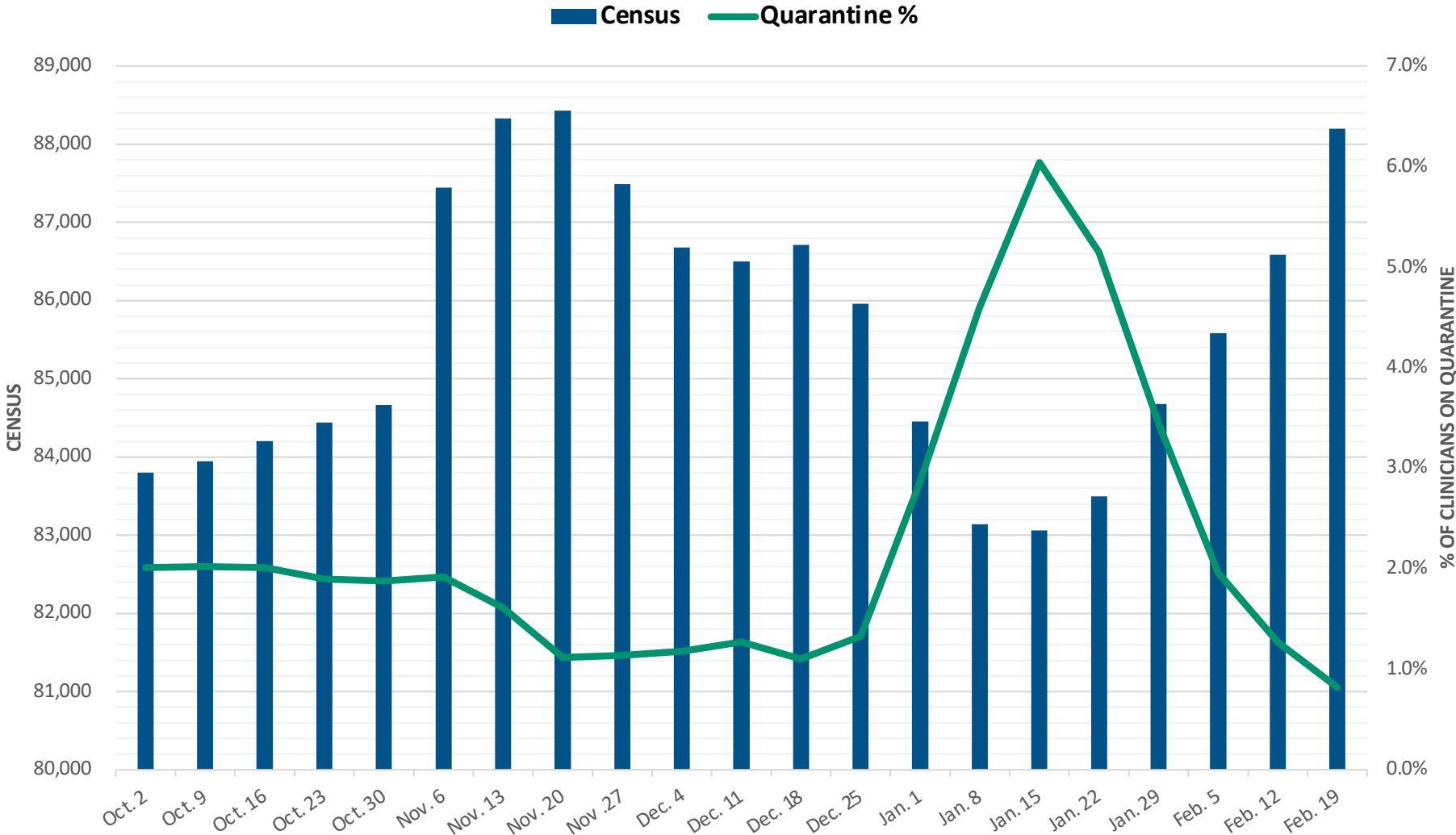
Week Ending	Oct. 2, 2021	Oct. 9, 2021	Oct. 16, 2021	Oct. 23, 2021	Oct. 30, 2021	Nov. 6, 2021 *	Nov. 13, 2021	Thanksgiving Week			Christmas Week		
								Nov. 20, 2021	Nov. 27, 2021	Dec. 4, 2021	Dec. 11, 2021	Dec. 18, 2021	Dec. 25, 2021
<u>Home Health:</u>													
Average weekly census	83,804	83,946	84,203	84,442	84,668	87,444	88,333	88,430	87,492	86,678	86,500	86,712	85,959
Average % of clinicians on quarantine	2.01%	2.02%	2.01%	1.90%	1.88%	1.92%	1.61%	1.12%	1.14%	1.18%	1.27%	1.10%	1.33%

*Completed purchase of home health assets from Brookdale which had approximately 2,500 patients on census

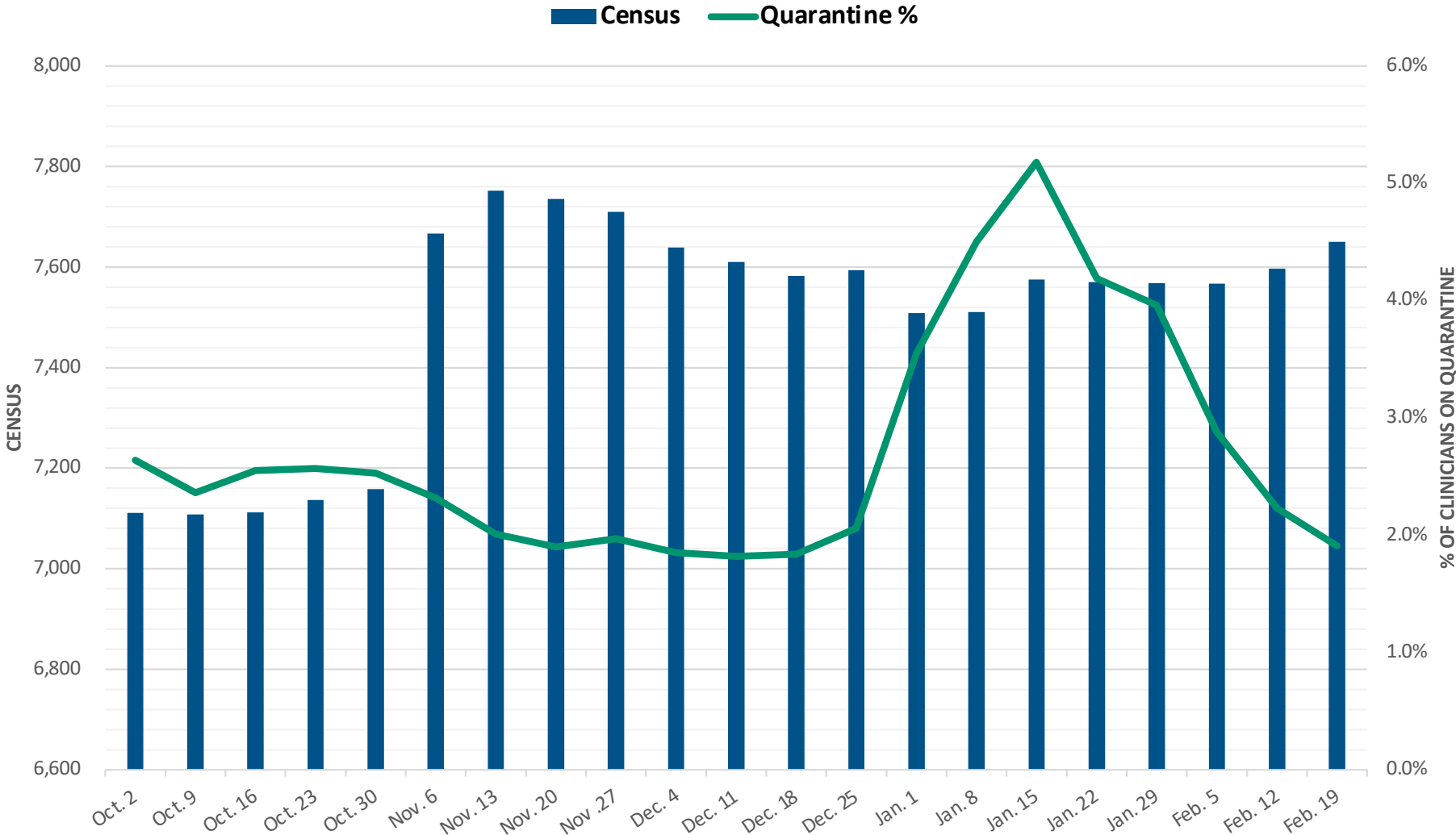
Week Ending	Jan. 1, 2022	Jan. 8, 2022	Jan. 15, 2022	Jan. 22, 2022	Jan. 29, 2022	Feb. 5, 2022	Feb. 12, 2022	Feb. 19, 2022
<u>Home Health:</u>								
Average weekly census	84,457	83,143	83,061	83,496	84,680	85,585	86,584	88,198
Average % of clinicians on quarantine	2.87%	4.60%	6.04%	5.15%	3.44%	1.96%	1.27%	0.84%

- Home Health average weekly census declined to a low 83,061 during the week ended January 15, 2022 as the average percentage of clinicians quarantined increased to 6.04% for the week ending January 15th, exacerbating the normal seasonal dip in January.
- Home Health average weekly census has increased 6.2% from 83,061 during the week ended January 15, 2022 to 88,198 during the week ended February 19, 2022 as the percentage of clinicians quarantined has continued to decline and admissions have re-accelerated.
- During the first quarter of 2022, we experienced severe winter weather over much of our service area. During the quarter, we had 181 agency closures resulting in reduced admissions.

OCT 2021 – FEB 2022 HOME HEALTH CENSUS VERSUS CLINICIAN QUARANTINE CORRELATION



OCT 2021 – FEB 2022 HOSPICE CENSUS VERSUS CLINICIAN QUARANTINE CORRELATION



DEBT AND LIQUIDITY METRICS

Outstanding Debt <i>(amounts in thousands)</i>	As of Dec. 31, 2021	Credit Facility <i>(amounts in thousands)</i>	As of Dec. 31, 2021
Total Debt – Balance Sheet	\$661,197	Revolver Size	\$1,000,000
Less: Cash	\$9,809	Less: Outstanding Revolver	\$661,197
Net Debt	\$651,388	Less: Medicare Advanced Payments	\$106,489
Net debt to estimated TTM adjusted EBITDA ratio	2.5x	Less: Letters of Credit	<u>\$24,341</u>
		Available Liquidity	\$207,973
		Plus: Cash	\$9,809
		Plus: Accordion	<u>\$300,000</u>
		Total Liquidity	\$517,782

Cash Flow <i>(amounts in thousands)</i>	As of December 31, 2021
Free Cash Flow (12 Months Ended)	\$(161,196)
+ Cash adjustments net of tax to 2021 EBITDA	63,096
+ Payments made on Medicare Advanced Payment, tax related to PRF and payroll tax deferral	258,578
= Adjusted Free Cash Flow (12 Months Ended)	\$160,478
DSO's	55 days

FOCUS FOR 2022

- ✓ Continue our focus as an industry leader in key areas around employee recruitment and retention including vacancy rate and voluntary turnover.
- ✓ Continue to be a leader in the industry in quality and patient satisfaction scores.
- ✓ Maintain disciplined capital allocation with new joint ventures and other M&A activity.
- ✓ Accelerate unlocking the potential of our co-location and tri-location strategies.
- ✓ Capture market share gains and incremental contributions from recent joint ventures, other acquisitions and consolidation.
- ✓ Continued improvement in our Hospice and HCBS service lines.
- ✓ Focus on cost improvement initiative and efficiencies.
- ✓ Accelerate initiatives to operationalize Advanced Care @ Home.

APPENDIX

NON-GAAP RECONCILIATIONS *(AMOUNTS IN THOUSANDS, UNAUDITED)*

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP	Three Months	Three Months	Twelve Months	Twelve Months
	Ended Dec 31,	Ended Dec 31,	Ended Dec 31,	Ended Dec 31,
	2021	2020	2021	2020
Net income attributable to LHC Group, Inc.'s common stockholders	\$15,692	\$30,380	\$115,728	\$111,596
Add (net of tax):				
Acquisition, <i>de novo</i> and legal expenses (1)	7,385	2,284	17,737	5,629
Closures/relocations/consolidations (2)	302	2,856	1,850	3,722
COVID-19 impact:				
PPE, supplies and other expenses (3)	10,860	8,641	38,001	38,608
CARES Act tax benefit (4)	-	-	-	(2,210)
ERP implementation (5)	601	-	1,827	-
Hurricane Ida (6)	-	-	844	-
Gain on sale of asset (7)	-	-	(951)	-
Cost improvement initiatives (8)	4,498	-	4,498	-
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	\$39,338	\$44,161	\$179,534	\$157,345

*Footnotes are on page 51

NON-GAAP RECONCILIATIONS *(AMOUNTS IN THOUSANDS, UNAUDITED)*

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP PER DILUTED SHARE	Three Months Ended Dec 31,	Three Months Ended Dec 31,	Twelve Months Ended Dec 31,	Twelve Months Ended Dec 31,
	2021	2020	2021	2020
Net income attributable to LHC Group, Inc.'s common stockholders	\$0.50	\$0.97	\$3.69	\$3.56
Add (net of tax):				
Acquisition, <i>de novo</i> and legal expenses (1)	0.24	0.07	0.57	0.17
Closures/relocations/consolidations (2)	0.01	0.09	0.06	0.12
COVID-19 impact:				
PPE, supplies and other expenses (3)	0.35	0.27	1.22	1.23
CARES Act tax benefit (4)	-	-	-	(0.07)
ERP implementation (5)	0.02	-	0.05	-
Hurricane Ida (6)	-	-	0.03	-
Gain on sale of asset (7)	-	-	(0.03)	-
Cost improvement initiatives (8)	0.14	-	0.14	-
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	\$1.26	\$1.40	\$5.73	\$5.01

*Footnotes are on page 51

NON-GAAP RECONCILIATIONS *(AMOUNTS IN THOUSANDS, UNAUDITED)*

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

	Three Months Ended Dec 31, 2021	Three Months Ended Dec 31, 2020	Twelve Months Ended Dec 31, 2021	Twelve Months Ended Dec 31, 2020
Net income	\$15,692	\$30,380	\$115,728	\$111,596
Add:				
Income tax expense	4,778	12,862	37,687	36,043
Interest expense, net	2,797	89	4,338	4,129
Depreciation and amortization	6,018	5,648	20,917	21,249
Adjustment items (*)	32,281	19,392	86,805	65,731
Adjusted EBITDA	\$61,566	\$68,371	\$265,475	\$238,748

(*) Adjustment items (pre-tax):

Acquisition, <i>de novo</i> and legal expenses (1)	\$10,082	\$3,214	\$24,154	\$7,770
Closures/relocations/consolidations (2)	412	4,019	2,510	5,193
COVID-19 PPE, supplies and other expenses (3)	14,826	12,159	51,661	52,768
ERP implementation (5)	820	-	2,485	-
Hurricane Ida (6)	-	-	1,150	-
Gain on sale of asset (7)	-	-	(1,296)	-
Cost improvement initiatives (8)	6,141	-	6,141	-
Total adjustments	\$32,281	\$19,392	\$86,805	\$65,731

- Expenses and other costs associated with recently announced or completed acquisitions, *de novos* and legal expenses (\$10.1 million and \$24.2 million pre-tax in the three months and year ended December 31, 2021, respectively; \$3.2 million and \$7.8 million pre-tax in the three months and year ended December 31, 2020, respectively).
- Loss on the sale of an asset and other expenses associated with a closure or consolidation, including impairment (\$0.4 million and \$2.5 million pre-tax in the three months and year ended December 31, 2021, respectively; \$4.0 million and \$5.2 million in the three months and year ended December 31, 2020, respectively).
- COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies, wage adjustments and employee healthcare costs (\$14.8 million and \$51.7 million pre-tax in the three months and year ended December 31, 2021, respectively; \$12.2 million and \$52.8 million pre-tax in the three months and year ended December 31, 2021, respectively).
- Tax benefit related to new legislation in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which lifts certain tax deduction limitations and eliminates 80% of taxable income limitations for Net Operating Losses ("NOL"), which we are now able to fully utilize NOLs associated with Almost Family prior to the merger.
- Expenses and other costs associated with the implementation of an Enterprise Resource Planning software (\$0.8 million and \$2.5 million pre-tax in the three months and year ended December 31, 2021, respectively).
- Direct recovery costs associated with Hurricane Ida (\$1.2 million pre-tax).
- As of December 31, 2020, the Company's assets held for sale was \$1.9 million, which consisted of one hospice facility in Knoxville, Tennessee. The Company sold the property during the third quarter of 2021 for \$3.2 million.
- Expenses associated from cost improvement initiatives implemented in the fourth quarter of 2021, which consisted of contract terminations and general and administrative cost reductions (\$6.1 million pre-tax).



It's all about helping people.